

# INTERNATIONAL Herald Tribune

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Algeria	5.00	Den	1.25	Fin	1.00	France	1.00
Austria	1.50	Germany	1.00	Greece	1.00	India	1.00
Bahamas	1.00	Italy	1.00	Japan	1.00	Kenya	1.00
Belgium	1.00	Lebanon	1.00	Libya	1.00	Malaysia	1.00
Canada	1.00	Luxembourg	1.00	Netherlands	1.00	Norway	1.00
Ceylon	1.00	Malta	1.00	Portugal	1.00	Spain	1.00
Dominican	1.00	Poland	1.00	Sweden	1.00	Switzerland	1.00
Egypt	1.00	Romania	1.00	Taiwan	1.00	U.K.	1.00
France	1.00	Saudi Arabia	1.00	Thailand	1.00	U.S.	1.00
Germany	1.00	South Africa	1.00	Turkey	1.00	Yugoslavia	1.00
Greece	1.00	U.A.E.	1.00	U.S.A.	1.00		

1,520

PARIS, FRIDAY, APRIL 3, 1981

Established 1887

## Thai Coup Leaders Ask to Talk King as Pressure Increases

**By Agency Dispatches**

OK — Rebel leaders, in tanks at their door, their airport escape route had Thursday to negotiating Bhumbok, and the spread in the request.

Gen. Prem's demand that he surrender, Gen. Sant and his associates called the public to a rally in Bangkok to explain the reasons for the coup attempt. But Gen. Prem, in a broadcast from his headquarters in northeastern Thailand, urged the people to stay home. Only about 1,000 showed up.

In another attempt to court public favor, the rebellious officers announced on Radio Thailand that they would reconvene the parliament and allow it to choose a premier within 15 days. The plotters dissolved the parliament and suspended the constitution at the start of their coup attempt.

Gen. Prem, who is also commander-in-chief of the army, dispatched a troop column toward Bangkok; it was reported to be moving unopposed. He also sent two air force fighter jets streaking over army headquarters in Bangkok to reinforce his ultimatum to the rebel generals.

Neither the jets nor the pro-Sant troops on the ground fired any shots.

Observers took the flight to signify that Gen. Prem controlled the air force. Air force officers backing Gen. Prem threw up bunkers Thursday at Bangkok's Don Mueang airport, 15 miles outside the capital, securing it for loyalists and cutting off escape for the coup leaders.

Pamphlets dropped over the capital told low-ranking backers of the coup they would not be punished if they returned in their barracks, and soldiers who had joined Wednesday's coup with bravado were quietly slipping away. Military sources said Gen. Sant's forces appeared to be depleting rapidly.

The commander of the navy, Adm. Samut Sahavasin, remained at the Satahep naval base southeast of Bangkok, apparently holding aloof from the rebels.

It was the sixth attempted coup in Thailand since 1971 and the first in which the incumbent did not step aside for another member of the military establishment. One Thai observer who asked not to be identified speculated that Gen. Sant had been goaded into action by a group of young officers impatient with recent squabbling among the political parties in Gen. Prem's coalition Cabinet of military men and civilian politicians.

Gen. Sant, 59, who was hand-picked by Gen. Prem as deputy commander of the military, was denied the top position in the army last year when Parliament passed a law that enabled Gen. Prem to retain the post beyond the mandatory retirement age of 60.

The coup leaders — Gen. Sant, another general commanding the Bangkok garrison and 12 young colonels — repeatedly criticized the 13-month-old Prem government for its failure to solve economic problems.

From Korat, Gen. Prem broadcast a conciliatory message. "The people involved in the revolutionary group include our friends," he said.



Thai Gen. Sant Chitpatima, leader of the coup that began early Wednesday, spoke to the press Thursday in Bangkok. At right is Gen. Sern Nanaorn, the supreme military commander.

## Reagan Makes Progress, Still Has Chest Pain

**From Agency Dispatches**

WASHINGTON — President Reagan, clad in pajamas, robe and slippers, took a 50-yard walk down a hospital corridor Thursday and his progress has been "super," said a medical expert who rejected reports the president might have been near death in the first minutes after he was shot.

Dr. Dennis S. O'Leary said he believed the 70-year-old Mr. Reagan could have waited 20 to 30 minutes more before receiving medical attention and "would have been OK." He acknowledged that the president collapsed as he walked into the hospital — "went down on one knee" — and was picked up and carried inside for treatment.

In a medical briefing at the White House, Dr. O'Leary, dean of clinical affairs at George Washington University Hospital, where the president is being treated, said Mr. Reagan's blood loss was not enough to have caused him to go into shock. But Dr. O'Leary acknowledged that his judgment was "quite speculative."

His assessment was also at odds with sources who said doctors in the emergency room had trouble finding the wound that was causing internal hemorrhaging and "thought they might lose him," Dr. O'Leary said. "I am denying that flatly."

Dr. Daniel Ruge, the president's personal physician, said Mr. Reagan's chest was still painful, but he was in "extremely good spirits."

Deputy press secretary Larry Speakes said the president signed a proclamation Thursday morning and met for five or 10 minutes with White House chief of staff James A. Baker Jr. and Mr. Baker's deputy, Michael Deaver. He also received a national security briefing.

Mr. Reagan's schedule Thursday included a noon meeting with

## land Seeks Delay Debt, Banks Say

**By Carl Gewirtz**

**From Agency Dispatches**

Poland has informed banks that it wants to delay for six months principal loans falling due now and June.

The delay to this effect was early Monday, French report. The delay added to our intention to cover it due," the bankers said.

The asserted willingness to delay on interest payments is already in arrears obligations for some of the agent banks of those who have been busy sending their letters this week advising that banks are advising their clients not to push any panic and not to declare those default.

Default is a word we prefer not to use, just as we don't use the word cancer in talking about a sick friend," a French banker said.

"No one wants to pull the trigger," continued a U.S. banker. "This is not an Iran situation; there are no internationally held assets to be seized. And there is nothing to be gained by fanning the fires through the formal declaration of default."

A "task force" of 24 international banks — two institutions from each of the 12 major creditor nations — met in London Tuesday and Wednesday at Poland's request. The "task force" drew up a plan for an immediate loan of \$1 billion.

(Continued on Page 2, Col. 6)

## EEC Sets Farm Price Increases

**From Agency Dispatches**

BRUSSELS — The European Economic Community agreed Thursday on a new farm price package that, according to Poul Dalsager, the EEC agriculture commissioner, will give farmers an average 12-percent rise in incomes and will increase food prices by nearly 3 percent.

The accord, reached early Thursday morning after a three-day bargaining session by EEC farm ministers, "has proved that the Community can work effectively," Mr. Dalsager told a news conference.

But the price increases, the highest since 1975, got a lukewarm reception from farmers and came under fire from consumer groups. Sometimes violent demonstrations by about 1,000 farmers ended late Wednesday, before the package was announced.

Constantin Hezeman, president of the farmers lobby, said he deplored the failure to match farmers' demands for a 15.3-percent rise.

But he praised the EEC for reaching agreement by early April — for the first time in several years — and thereby avoiding the need to make later decisions retroactive. The EEC marketing year for milk and meat begins Monday.

A spokesman for the European Bureau of Consumers' Unions, a lobby representing consumer organizations throughout the EEC, said that food prices would rise by more than 3 percent and that the EEC Commission's calculations were totally inadequate. It sent a telegram to Mr. Dalsager condemning the package.

**Surplus Margin**

The package raises basic prices paid to farmers by slightly more than 9 percent, but conversions of EEC "green currencies" into national currencies take the average rise in incomes to 12 percent.

Community farm ministers seemed pleased with the settlement.

Dutch Farm Minister Gerrit Braks, the meeting's chairman,

## EEC Sets Farm Price Increases

called it a contribution to European solidarity. Both Mr. Braks and Mr. Dalsager defended the package against claims that it might wipe out the final margin of surplus in the EEC's \$27-billion budget.

Critics of high farm spending have asserted that increases in agriculture prices — already consuming 70 percent of the EEC budget — will cause cuts in other programs.

Pierre Mehaugier, France's farm minister, told journalists he was satisfied. He had been pushing for a big price increase with the first round of France's presidential elections only weeks away.

His traditional adversary, Peter Walker of Britain, also claimed victory for his country's interests at the talks. Britain had sought hikes of about 7 percent.

Mr. Walker, who took the toughest stand on holding down farm spending, said the accord would add \$1.3 billion in the EEC (Continued on Page 2, Col. 6)

## U.S. Says Russia Boosts Ability for Invasion

**From Agency Dispatches**

WASHINGTON — U.S. Secretary of Defense Casper W. Weinberger said Thursday that the Soviet Union has taken steps in the last 24 to 48 hours to increase its capacity to invade Poland and that the United States is taking steps as a result.

Pentagon sources close to Mr. Weinberger said afterward that the defense secretary was not talking about any military steps in preparation by the United States in event of a Soviet invasion of Poland. The sources, who asked to remain anonymous, added that Mr. Weinberger said the United States would consult with its allies on how to respond.

Last Sunday, Mr. Weinberger referred on an interview to unspecified political, economic and diplomatic measures in what he called a "broad spectrum of activity... all designed in concert with the Soviet's extreme gravity" with which a Soviet-led attack on Poland would be viewed in the West.

**Pentagon Stress**

Pentagon military sources stressed Thursday that no U.S. forces had been placed in a higher degree of readiness.

As for the new signs, Pentagon sources said there had been a noticeable step-up in preparations of Soviet troops in western Russia bordering on Poland, and also among East German and Czech divisions that are within striking distance of the Polish border.

Mr. Weinberger made the statements Thursday in response to questions from Sen. Bennett John-

## U.S. Says Russia Boosts Ability for Invasion

berger apparently misunderstood the question and said, "Yes, to the extent that we have planned, we are taking those steps."

Mr. Weinberger said the situation in Poland was "very serious" and had become "far more serious" in recent days.

He also said that any Soviet invasion of Poland would "eliminate for the immediate future any immediate possibility" of strategic arms limitation or other arms reduction talks or any summit meeting involving the Soviet Union and the United States.

Meanwhile, Secretary of State Alexander M. Haig Jr. and Vice President Bush met in Washington with Polish Deputy Premier Mieczyslaw Jagielski.

Mr. Bush later announced that the United States will send food aid in Poland and said urgent consideration is being given to other forms of assistance for Poland's troubled economy.

Mr. Bush said the Reagan administration plans to sell to Poland dairy products, including dried milk and butter, at concessionary prices. He did not say what other assistance was being contemplated.

Other administration officials said Poland may be allowed an additional deferral of scheduled repayments on its \$2.5-billion U.S. debt. Earlier, the administration agreed to put off \$88 million in debt repayments.

In Warsaw, the Solidarity union said Thursday that it called off Tuesday's general strike after having been told by the authorities that it could lead in bloodshed.

## Doctor Heads for U.S. After Fleeing Tehran

**United Press International**

ANKARA — U.S. physician Elenore Minguez, who escaped across the mountainous border from Iran to Turkey this week, left for the United States Thursday, U.S. Embassy sources said.

Dr. Minguez, 36, was granted a temporary U.S. passport by the embassy in Ankara in enable her to fly home. An official said that she flew to Istanbul aboard a Turkish Airlines flight and boarded an Olympic Airlines flight from there to Rome via Athens. She said that she was working at a Tehran cardiology clinic when revolutionary guards seized her passport and identity card.

## and May Free UN Aide

**United Press International**

ED MONTGOMERY, N.Y. — A U.S. employee of the UN Secretariat was jailed in his home on charges of spying for a country may soon be freed, it was reported Thursday.

The man, identified as Richard A. Wessolowski, was arrested in August, 1979.

A 36-year-old woman is said to have a longer stay in jail and in a U.S. prison. Mr. Freick told UN Secretary-General Kurt Waldheim a positive solution of the case is expected before long.

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## Heavy Fighting Erupts in Beirut, Zahle

**The Associated Press**

UT — Tank, rocket and rifle fire battered Christian neighborhoods in eastern Beirut and Zahle Thursday, closing an international airport and, by noon, killing dozens of civilians, a predominantly Catholic area to the east, was under tank fire for the second day.

The Syrian command said it attempted to stop fighting and from strengthening militia base.

**Shaky Cease-Fire**

The cease-fire was broken at provoked the firing in Zahle.

The Beirut police department described Thursday's shelling as the heaviest Syrian crackdown on the rightist Christian strongholds since a month-long bombardment in 1978 that killed 1,200 people.

## UN Force Is Likely Issue During Haig Trip to Cairo

**By Henry Tanner**  
*New York Times Service*

CAIRO — Two days before the arrival here of U.S. Secretary of State Alexander M. Haig Jr., ranking Egyptian officials said that Egypt remained strongly opposed to U.S. and Israeli proposals for the inclusion of U.S. troops in a multinational Sinai peacekeeping force.

Gen. Abdel Halim Abu Ghazala, the pro-U.S. defense minister who assumed his post a few weeks ago, is understood to have stated his opposition to U.S. participation, which is opposed also by President Anwar Sadat's foreign policy advisers.

Egyptian officials said on Wednesday that they received commitments from Australia, New Zealand, Kenya, Ghana, Nepal and Fiji that these nations would contribute to the peacekeeping force if, as is believed likely, a Soviet veto should block the creation of a UN force. Egypt would have accepted U.S. forces as a last resort if no other dependable forces were available, the officials said.

They agreed that they had no objection to an extension of the field mission of 400 U.S. civilians who have been in the Sinai since the second disengagement agreement in 1975. Israel and the Reagan administration have been pressing for the inclusion of a U.S. military contingent in the peacekeeping force, which will patrol the demilitarized zone in the Sinai after Israel completes its withdrawal from the area in April, 1982.

**Position Reasserted**

The reassertion of the Egyptian position appeared to mean that Mr. Haig, who arrives for his first visit to the Middle East on Friday, will have to get involved in the discussion of a thorny practical issue, instead of focusing on the global aspects of his strategy for countering the Soviet military threat to the Gulf and the Middle East.

## UN Force Is Likely Issue During Haig Trip to Cairo

The issue of the Sinai peacekeeping force is officially being kept apart from Mr. Haig's overall strategic plans. But continued discussion on this issue could seriously impinge on the chances of launching his border concept for the region, officials in Cairo feel.

Mr. Haig is spending only a few hours each in Egypt, Israel, Saudi Arabia and Jordan.

Mr. Sadat's refusal to give the United States any permanent military base has been a thorny subject in the otherwise close relationship between the two countries.

U.S. plans for expanding the air and naval base of Ras Banas and adapting it for U.S. use are in abeyance because of Egypt's refusal to sign a contractual agreement putting the base at the disposal of the United States for a specific period. Ras Banas is at the Red Sea coast near the Sudanese border.

The Egyptians have been saying that they are ready, even anxious, to give the United States the use of military "facilities" as opposed to "bases." Their definition of a "facility" is that the installations remain Egyptian property; that the guest country establishes no permanent military presence but is promised temporary use of the installation for specific purposes; and that there is no formal contractual agreement.

The Carter administration requested a formal written agreement for Ras Banas before deciding to spend hundreds of millions of dollars for the improvement of the base. That request was rejected and this is where the matter stands even now, according to Egyptian officials.

It would be a major breakthrough for Mr. Haig if he could budge Mr. Sadat from this position on Ras Banas. Western diplomats in Cairo said.

Mr. Sadat is on record also as saying that he would not allow U.S. forces to take over the two large air bases in the Sinai that are to be evacuated by Israel.

## INSIDE Heart Drug

An extensive study in Norway has found that heart-attack patients who are given a drug called timolol have a much lower risk of dying from the attack. Use of the drug reduced the patients' overall risk of dying by almost 40 percent and cut almost in half the death rate of those who were classified as high-risk patients. Page 5.

## TOMORROW

A special supplement on the International Fashion, with articles by Eugenia Sheppard, Art Buchwald, Sophia Loren, Paloma Picasso, Karl Lagerfeld, Valentino, Princess Ira von Furstenberg, Baronne Guy de Rothschild, Prudence Glynn and the Duchess of Orleans will appear in tomorrow's Trib.



With a look up to her husband's room, Nancy Reagan arrived Wednesday to visit the president at the hospital in Washington. She brought him a large jar of jelly beans, his favorite candy.

# Bonn Arms Sale to Saudis: A Question of Conscience

By John Vinocur  
New York Times Service

**BONN** — Issues such as arms exports, which some countries deal with easily and pragmatically, always turn out to be great questions of conscience in West Germany, an editorialist here wrote recently. As an afterthought, he added, "Thank God."

The editorial was arguing against a major sale of West German weapons to Saudi Arabia that would break a long-standing policy in Bonn of not sending arms to so-called crisis areas. It would also disturb West Germany's special relationship with Israel and raise uncomfortable questions about its willingness to assume military duties in the Gulf.

But if there is intensive debate in the country about the proposed deal, expediency and opportunism seem to rival conscience in the debate over the sale of 300 Leopard-2 tanks, about 1,000 Marder armored personnel carriers, self-propelled guns and other weapons systems.

Stated grandly, the moral issue is whether a country that caused World War II and attempted to annihilate the Jewish people should sell weapons to an area of extreme tension where the arms themselves could increase the danger of war and might be used against Israel.

### Trade, Jobs and Oil

Yet most of the arguments are elsewhere. Those in favor of the deal talk trade, jobs and oil.

Rolf Rodenstock, president of the Federal Association of German Industry, returned from Saudi Arabia last month saying that future participation of West German companies in the Saudi development "stands or

falls with our readiness to assist in the country's security." There was no other way, he said, and the arms sale was regarded by the Arabs "as the acid test of German-Arab relations."

There are a number of members of the Bundestag from all parties who oppose the

### NEWS ANALYSIS

sale because they feel that their country's post-World War II honor involves staying clear of debatable arms merchandising and protecting Israel's security. This group is led by the Social Democratic parliamentary floor leader, Herbert Wehner.

Others, mainly from the party's left wing, which considers that Israel's weapons sales to South Africa and authoritarian governments in Latin America brand it as a militaristic or reactionary state, say they are concerned that the United States would use the sales to the Saudis as a lever for bringing a West German military presence in the Gulf.

### No Decision

Their argument insists that the logic of the West German refusal to become militarily involved in helping the United States, Britain and France to secure the Gulf would dissolve if West German military advisers were present in Saudi Arabia overseeing a multi-billion-dollar program.

Officially, the attitude of Chancellor Helmut Schmidt and his government is that no decision on the deal has been made yet. This appears technically correct, although a number of officials made it clear in conversations that the government does not want to

turn down a country that supplies 25 percent of the country's oil imports.

The decision is somewhat complicated because the officials insist that they have not received any precise requests from the Saudi government, but rather general indications received by West German manufacturers.

But there is pressure to reach some kind of decision shortly. Mr. Schmidt will travel to Saudi Arabia April 27 and would have difficulty saying that his mind is not made up, although the lack of support in his own party has made him remarkably circumspect regarding the deal.

### Greatest Threat

In order to go ahead with selling weapons to the Saudis, the government must revise a 1971 Cabinet decision that West Germany would make no sales of weapons to countries in crisis areas such as the Middle East. A meeting of the Federal Security Council, which is made up of Cabinet members and chiefs of the armed services, is scheduled to discuss the issue early this month.

It would appear that what the government wants to do is to begin the arrangement by selling to the Saudis the armored personnel carriers and self-propelled guns, while avoiding sales of tanks.

One official acknowledged that the 300 Leopard-2s sought by the Saudis would represent the greatest security threat to Israel. Beyond that, there is considerable doubt about why the Saudis need the Leopards at all, since they have French and British tanks on order. It is possible that the government would like to talk the Saudis out of pressing for the Leopards entirely, or at least, as the official said, to cut the number to 150.

Mr. Schmidt's attitude, as reported by an intimate, is that since the Saudis specifically

want West German involvement in

defense they should get it. What appears more difficult for

Germany to reconcile, beyond the fact that the weapons contracts mean that the equipment the Saudis want is not really what they need gently to improve their ability to

themselves. Karl Feldmeyer, the military counterpart of the Frankfurter Allgemeine, has written that, considering the real Saudi armed forces, "the deal has more to do with prestige and closer work with the Federal Republic than with

ons." If this is the case and the nature proposed arrangement is basically sythen the West Germans may think they have some success in making the agree to some kind of arms control ment on the use of weapons, which seem to clear the national conscience concerning Israel.

Deciding on what to do, however, involves more pragmatism than morality. Mr. Schmidt, an adviser said that, if unable to bring the deal off, then he might be regarded as a man on loan, control of his own foreign policy — not in Riyadh, but also in Jerusalem, Washington and Moscow.

On the other hand, in a time of a continuous problems within his party, weapons to the Saudis is not the last which Mr. Schmidt wants to risk a



West German Foreign Minister Hans-Dietrich Genscher, on the left, is met by Soviet Foreign Minister Andrei A. Gromyko at the beginning of Mr. Genscher's official visit to Moscow.

## Genscher, Gromyko Open Talks

### West German Urges Russian Moderation in Poland

By R.W. Apple Jr.  
New York Times Service

**MOSCOW** — Hans-Dietrich Genscher, the West German foreign minister, urged the Soviet Union Thursday to act with moderation in international affairs, especially in regard to Poland and Afghanistan.

At a three-hour meeting with his Soviet counterpart, Andrei A. Gromyko, Mr. Genscher stressed that he had found the Polish government serious and responsible on his recent visit to Warsaw. He said West Germany would consider Soviet intervention there a flagrant

violation of the 1975 Helsinki agreement.

But Mr. Genscher, the first high-level Western official to visit the Kremlin since the inauguration of President Reagan, also emphasized, according to West German sources, that Chancellor Helmut Schmidt remained committed to open relations with the East first begun in 1970.

The sources said Mr. Genscher had told Mr. Gromyko that West German policy was fixed and did not fluctuate "like the stock market." And he said that if he had to go back to 1970 he would institute

the same policy again, despite events in Afghanistan and Western apprehensions over Poland.

Mr. Gromyko was reported to have made no reply to his visitor's comments on Poland.

### Pravda Attack

Only hours before Mr. Genscher's arrival, Pravda, the party newspaper, attacked Polish Communists for the first time, accusing them of doing nothing to prevent what it called a dangerously anti-Socialist meeting in Warsaw last month. It said the meeting, held at Warsaw University, had been organized by a dissident group and had featured speakers who asserted that Marxism had already failed in Poland.

"It is noted here," the paper said in a Warsaw dispatch, "that the Warsaw party organizations did not make any kind of ideological rebuttal to those who spoke at the meeting."

According to Pravda, the dissident Adam Michnik said at the meeting that Socialism in Poland should be replaced by a national-democratic form of government. The paper described his speech as a series of "unbridled attacks" on Communism.

Since the installation of Stanislaw Kania as first secretary of the Polish Communist Party last September, neither Pravda nor other major Soviet newspapers have directly criticized the party, although they have reprinted critical pieces from newspapers in Eastern Europe.

### Tass Comment

Tass issued only a brief communiqué on the Genscher-Gromyko talks, heading it "in a business-like atmosphere." A West German official said the talks had been "broad, frank and clear."

Apparently the atmosphere was reasonably cordial, because the two men spent an hour longer together than scheduled and agreed to start an hour earlier than scheduled Friday. Mr. Genscher also has a tentative appointment to see Leonid I. Brezhnev, the Soviet leader, Friday afternoon before a dinner for Mr. Gromyko.

According to the West German sources, Mr. Genscher stressed that he had had extensive consultations with the Western allies before coming to Moscow but would not act as a spokesman.

The most important point on the international agenda, he told Mr. Gromyko, was to restart the dialogue between Moscow and Washington, not only on strategic arms limitation but also on broad political points. He said West Germany would not budge from its commitment to the installation of U.S. Cruise missiles in Western Europe, saying notice that the Kremlin would not be able to divide the alliance on this issue.

## Begin Making Comeback in Polls As Israel Heads for June 30 Vote

Los Angeles Times Service

**JERUSALEM** — Six months after he was written off as politically dead, Menachem Begin is making a comeback. The latest public opinion poll shows that support for the Israeli prime minister's ruling Likud bloc jumped sharply in the last month.

Likud still trails the Labor coalition led by former Defense Minister Shimon Peres in opinion polls pointing to the June 30 election. But Labor's once-commanding lead is dwindling.

The latest survey, commissioned by the Jerusalem Post, showed that, if the election had been held last week, the Likud would have won 33 seats against 43 for Labor, nine for the National Religious Party and nine for a new party headed by former Foreign Minister Moshe Dayan. The other 24 seats among the 120 in the Knesset would be split among minor groupings.

A month ago, the Likud was projected to win only 20 seats. Labor's projection was 45 in the previous survey, the same as in the latest one.

Israeli political analysts believe that the Likud has scored points by cutting the sales tax, an act that temporarily reduced the price of expensive consumer items such as color television sets and automobiles — despite the world's highest inflation rate.



**SUSPECT'S FATHER** — John Hinckley, the father of the man charged in the shooting of President Reagan, opens the door of his home to receive telegrams carried by a state patrolman. The family has been in seclusion since the shooting attack.

## Judge Gives Hinckley Case To Grand Jury for Review

The Associated Press

**WASHINGTON** — A federal magistrate Thursday set the case of John W. Hinckley Jr. to a federal grand jury to decide whether the 25-year-old man should be indicted in the attempted assassination of President Reagan.

Mr. Hinckley, wearing a white bulletproof vest under his blue coat, sat silently as his lawyer, Vincent Fuller, waived the requirement that the government show probable cause that a crime was committed. Magistrate Lawrence Margolis then set the case directly to a grand jury.

After the 18-minute hearing, U.S. Attorney Charles F.C. Ruff told reporters that the magistrate's order committed Mr. Hinckley under federal law to an institution "for a mental examination to determine his sanity." The identity of the institution was not disclosed.

**Insanity Defense**  
Mr. Fuller told Mr. Margolis that Mr. Hinckley's lawyers had not decided whether to use insanity as a defense.

Mr. Hinckley was brought to the U.S. District Court building in an armored limousine from the Quantico, Va., Marine base, where he was being held without bond. He arrived at the heavily guarded courtroom 90 minutes before the hearing was to begin.

During the hearing, Mr. Hinckley frequently conferred with one of his lawyers, from the firm of criminal defense attorney Edward Bennett Williams.

The only time that Mr. Hinckley spoke to the court was when Mr. Margolis asked him whether he agreed to waive the government's presentation of evidence. "Yes, sir," Mr. Hinckley replied.

**Psychiatric Report**  
Mr. Fuller read into the court record a brief report by a psychiatrist who examined the suspect Wednesday and stated that Mr. Hinckley is presently mentally competent to stand trial.

Mr. Fuller asked that psychiatrists hired by the defense be per-

## Poles Seek Debt Delay, Bankers Say

(Continued from Page 1)

billion and a total refinancing this year of \$3 billion.

Bankers said that the Poles also made some general statements expressing an interest in rejoining the International Monetary Fund, of which they were a founding member. While very vague, the statements assuaged the banks who are troubled about the enormity of Poland's debt crisis.

Rescheduling \$12.7 billion of debt owed to Western banks and another \$10.3 billion owed to Western governments would constitute the largest ever operation of its kind. Doing this outside the confines of the IMF, which has acted as tutor in all other major reschedulings, makes lenders nervous.

The presence of the IMF assures lenders that proper corrective policies are being adopted to put the debtor back on its feet. Worry about who could play such a role for Poland has certainly slowed efforts by private lenders as well as Western governments to reschedule its debt.

The bankers who attended the London meeting are now expected to report back to other private lenders in their country and then to formulate a response.

"The attitude of the bankers," one participant said, "is that we want to do something. The problem is to define what and under what circumstances."

U.S. banks reportedly will meet in New York next Tuesday to hear the report from officials of Bank of America and Citibank.

However, a French banker expressed the view that the consensus of those attending the London meeting is to resolve the problem by doing nothing, allowing arrears on principal and interest to mount without any declaration of default, awaiting details on the terms and conditions Western governments set on rescheduling the debt due them.

## EEC Sets Price Rise

(Continued from Page 1)

budget within a year. He said this was close to or below the projected growth in Common Market income, so it would not take cash from other sectors.

Mr. Dalsager acknowledged, however, that savings on farm spending would be lower than in recent years. He said the EEC's 8 million farmers had suffered a steep fall in income and had to be compensated.

Mr. Dalsager added that the price increases were likely to boost production of agricultural products already in surplus. "But there are millions of people outside the community who are short of food, and the EEC should be able to find ways to meet that need," he said.

The price rises take effect Monday for milk and beef and from the start of the relevant marketing year for other products.

In Bonn, the West German farmers association said it felt that national measures to help German farmers were still necessary.

### 50 Flee Milan Hotel Fire

United Press International

**MILAN** — A fire on the seventh floor of the Milan Hilton Hotel damaged three rooms and forced 50 persons to flee early Thursday.

## WORLD NEWS BRIEF

### Nkomo Supports Eventual Merger of Parties

The Associated Press

**SALISBURY** — Joshua Nkomo, the minority partner in the coalition government, gave qualified support Thursday for a merger of his party with the dominant group of Prime Minister Robert Mugabe.

But Mr. Nkomo, leader of the Zimbabwe African People's Union (Patriotic Front), warned that recent factional fighting and "unclear trends" made any early alliance almost impossible. "There are still people who teach their children to hate others who don't belong to their party," Mr. Nkomo, whose group holds 20 of the 100 executive National Assembly seats, told the Herald newspaper.

Mr. Nkomo, whose support mainly springs from the minority Masheke tribe, has been a part of the coalition since independence in 1980. Britain almost a year ago. The government has been dominated by Mugabe's Zimbabwe African National Union (Patriotic Front), but on the majority Shona tribe, which holds 57 seats.

### U.S. Evacuates Dependents From Kampala

The Associated Press

**NAIROBI** — The U.S. government has evacuated all dependent U.S. Embassy personnel from Kampala because of rising violence in Uganda, a U.S. Embassy spokesman said Thursday.

The nine wives and children of embassy staff flew from Kampala to Nairobi Wednesday on a chartered aircraft and will remain here until security conditions in Kampala improve. Embassy spokesman J. Fordney said.

The U.S. Embassy said in a brief statement that the evacuation "purely a precautionary step in response to recent attacks in Kampala anti-government groups." But other U.S. officials said it was also cause of violent government reprisals for those attacks.

### Benn to Seek Deputy's Post in Labor Party

United Press International

**LONDON** — Anthony Wedgwood Benn, former Labor Cabinet minister and an advocate of nuclear disarmament, said Thursday he will seek deputy leadership of the Labor Party on a far-left platform.

Mr. Benn said he will not run against party leader Michael Foot, also a left-winger — but will challenge former Chancellor of the Exchequer Denis Healey, a moderate, for the deputy leadership.

Mr. Benn said he will run on such leftist policies as unilateral nuclear disarmament, removal of U.S. nuclear weapons and bases from Britain, withdrawal from the European Economic Community, abolition of Conservative-dominated House of Lords and scrapping of Prime Minister Margaret Thatcher's anti-inflation policies.

### Managua Assails Form of U.S. Cutoff of Aid

From Agency Dispatches

**MANAGUA** — The United States has formally suspended economic aid to Nicaragua on the ground that it is aiding rebellion in El Salvador. Nicaragua called the cutoff an "imperialistic" move aimed at overthrowing the leftist government in Managua.

The charge was made on the Sandinista television network Wednesday, after the U.S. State Department said it was formally stopping payment already suspended, of the remaining \$15 million of a \$75-million economic aid program. The State Department accused Nicaragua of "boring international terrorism and abetting violence in another country."

Washington held out the possibility of an early resumption of aid if Nicaragua continued recent efforts to keep out of the El Salvador situation. The three-man Nicaraguan junta, two Sandinistas and a moderate has denied that it is aiding the Salvadoran rebels.

### Gatherings Banned in Yugoslav Province

Reuters

**BELGRADE** — Yugoslav authorities banned all public gatherings in the southeastern province of Kosovo on Thursday following the third demonstration there in three weeks, apparently in support of Albanian nationalism.

The provincial Interior Ministry said all movement in public places by groups of people was banned, effective immediately, because of "extraordinary circumstances that threaten the public order." It said the measures would remain in force indefinitely.

Officials refused to give details of the latest disturbances in the provincial capital of Pristina on Wednesday, but residents said students shouting Albanian nationalist slogans had clashed with police.

### Belgian King Accepts Premier's Resignation

Reuters

**BRUSSELS** — King Baudouin of Belgium Thursday accepted the resignation of Premier Wilfried Martens and asked Finance Minister Mark Eyskens, a Flemish Christian Democrat, to form a new government, an official statement said.

A communiqué from the royal palace said Mr. Eyskens, who comes from the same party as Mr. Martens, had accepted the task, which the king urged him to complete as quickly as possible.

Mr. Martens offered his resignation Tuesday after his coalition of French- and Dutch-speaking wings of the Socialist and Christian Democrat parties split over his proposal for an immediate wage freeze. But the government meanwhile ordered a one-month freeze on prices.

### Toure Outlines Peace Plan for Iran-Iraq War

The Associated Press

**BEIRUT** — President Ahmed Sekou Toure of Guinea, who heads the nine-nation Islamic commission that is trying to mediate the Iran-Iraq war, said Thursday that the mission has proposed establishment of an Islamic peacekeeping force and an Islamic court of justice to end the conflict.

On Wednesday, Mr. Toure said that the commission, which includes four Moslem heads of state, had "suspended peacekeeping shuttles at the summit level" pending responses from the two antagonists to the new proposals.

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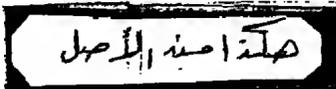
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# Reagan Reorganizes the Pentagon He Can Concentrate on Policy Issues

Richard Halloran  
New York Times Service  
WASHINGTON — Secretary of Defense Caspar W. Weinberger announced his first extensive reorganization of the Pentagon in an effort to focus on policy issues and to delegate day-to-day management to defense officials.



Frank C. Carlucci

Weinberger's order also disassembled a management structure created by the Carter administration under which officials had to justify each program each year when it came up for reauthorization. Mr. Weinberger said it required too much time and "served no tangible purpose."

## Senate Rejects Cut Social Security Rises

Helen Dewar  
Washington Post Service  
WASHINGTON — The Senate, in a virtual lock-step with the House, rejected a budget proposal that would scale back the automatic increases for Social Security and other federal programs.

powerless and often ceremonial positions, as power has become concentrated in the office of the secretary of defense.

In addition, the revised process envisions a larger role for the Joint Chiefs of Staff, especially in budget planning. That would include planning budgets to carry out strategy, bringing the chiefs into a process from which they have long been excluded.

## Children Indoctrinated in UN-Financed SWAPO Camp

Angola Installation Prepares 10,000 Youths to Return to Fight in Namibia  
By Bernard D. Nossiter  
New York Times Service  
CABUTA, Angola — At a bend in the road, 40 boys and girls in blue shorts and red-peaked garrison caps stand solemnly, holding hand-lettered placards in English.

Mr. Carlucci said that internal discussion of pending decisions was expected. "We want to assure that these positions are fully articulated at the appropriate level," he said. "We also encourage dissent."

The deputy secretary, who is reportedly a skilled bureaucratic manager, warned that economy and efficiency were demanded. "I expect to enforce the necessary discipline during the entire process," he said.

## Basque Bishops Denounce Military, ETA

From Agency Dispatches  
MADRID — An outspoken statement by Basque bishops that denounced military influence in Spain's public life began a political row Thursday and set off a flurry of government activity.



Sen. Ernest F. Hollings

charge patients, because of the political power of the elderly. Medicare, a program that aids the poor, is facing substantial limits on federal contributions in a move to save up to \$5 billion by 1986.



Spanish Civil Guards patrol near the French border to prevent infiltration by Basque guerrillas.

## Basque Bishops Denounce Military, ETA

dercut individual freedoms and a free press, the law passed by a 301-3 vote, with 46 members of the parliament absent.

## New U.K. Social Democratic Party Leads Others in Survey of Voters

LONDON — In a Gallup Poll published on Thursday in the London Daily Telegraph, Britain's new Social Democratic Party pulled clearly ahead of the ruling Conservatives and opposition Labor Party in popularity.

## Atlanta Police Identify 2 More In Child Deaths

Washington Post Service  
ATLANTA — Police investigating the missing and murdered black children here have identified two more victims.

## U.S. Sending Green Berets to Help Train Liberians

WASHINGTON — The United States is sending a team of about 100 Green Berets to Liberia to take part in a month-long training exercise, a State Department spokesman said.

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# Nicaraguan Exiles Claim They Are Set for Attack

By Alan Riding  
New York Times Service  
TEGUCIGALPA, Honduras — Rightist Nicaraguan exiles here, confident of the support of some sectors of the Honduran Army and hoping for a "green light" from Washington, are preparing to invade their homeland to overthrow the 20-month-old Sandinista government.

Exile leaders asserted that a 600-man "freedom force" stationed in Honduras near the Nicaraguan border would soon be joined by thousands of sympathizers from Guatemala and Miami. "I think we'll be ready in two months," a spokesman said.

Some Honduran politicians, on the other hand, charge that hostilities with Nicaragua would give the Honduran Army the opportunity of staying in power after general elections scheduled for later this year. The president, Gen. Policarpo Paz Garcia, is committed to returning the country to civilian rule for the first time since 1972, but some senior officers are said to be reluctant to return to the barracks.

## Atlanta Police Identify 2 More In Child Deaths

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Nicaragua is unavoidable," a Honduran politician said.

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While the Republican-led by conservative defectors in the Democratic ranks, at back amendments to renew for energy conservation energy development, services, youth job training, arives of other domestic

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## Reviving Paranoid Fears

During his campaign for the presidency Ronald Reagan stirred up a fuss at one point by suggesting that if the Soviet Union intervened militarily in one part of the world, the United States could respond in another. The idea — which is not entirely crazy, especially at a time when the Soviet Union has an important geographical advantage in critical areas like the Gulf, as well as substantial superiority in conventional forces — was greeted with snickers. But now, in a logically parallel nonmilitary situation, the Reagan administration has blown an opportunity to demonstrate that such a policy makes sense.

Georgi Arbatov, head of the Soviet Institute of United States and Canadian Studies and a member of the Central Committee of the Communist Party, was invited by Bill Moyers to participate in a televised debate on the arms race. Mr. Arbatov, who has been meeting people and speaking in the United States since March 25, was to appear with two other Soviet officials. They were to debate three prominent American specialists.

But Mr. Arbatov's visa expires April 5 and the debate is not scheduled until April 10. No problem, just get a visa extension right? Wrong! The administration decided that too many Russians, including Mr. Arbatov, have been getting too much attention and finding it too easy to propagate their views through

the U.S. media, including television. What's more, the U.S. charge d'affaires in Moscow, Jack Matlock, has been denied access to Soviet television.

So, Mr. Arbatov will be sent packing on Sunday and Mr. Moyers, not to mention the viewers of his consistently interesting and provocative program, will be left in the lurch.

The State Department probably refused to extend Mr. Arbatov's visa partly in pique and partly for the nuisance value. But there will be those, at home and abroad, who will view the action otherwise. It will be seen by some as a return to the paranoid insularity of the McCarthy era. The United States will be accused of muzzling the Russians out of fear that its own society has become too fragile to withstand a bit of Soviet propaganda. The decision should be reversed.

If the United States wants to pressure the Soviet Union into letting Mr. Matlock appear on television, or punish Moscow for keeping him off, it should put Denver boots on illegally parked Soviet embassy cars. That would hit the Soviet bureaucrats where it hurts, just like taking away Ambassador Dobrynin's State Department parking privileges, and it would not revive paranoid fears of times best not relived.

INTERNATIONAL HERALD TRIBUNE.

## Crisis and Reassurance

America has become a nation of crisis aficionados, accepting crisis — especially a crisis involving the president — as the medium by which character and status are most surely revealed. This builds a certain skew into the nation's political life, since the traits and rankings that emerge at a time of crisis do not necessarily have much to do with good governance, which is unavoidably heavy on organization, expertise and routine. The sequence that began when President Reagan was shot did, nonetheless, fling open a window through which the country will be peering for some time for clues.

We were struck first of all by the courage and agility of the president's guard. Questions must be asked about how the attack came to be made, but even as the bullets were being fired a number of men put their lives on the line.

With concern for the president running high, Dr. Dennis O'Leary then became the nation's chief handholder. This is not to minimize his role in putting into smooth effect his hospital's disaster plan. But his calm, comprehensive and good-natured briefing of the press was just what a doctor would have ordered to deal with the mounting anxieties of Americans and others.

The main ring, in be sure, was occupied, and held, by President Reagan's White House and Cabinet aides. The important thing is that from the standpoint of the national interest, apparently everything went well. The country was covered against panics and emergencies during the mercifully few hours of early uncertainty. Thanks in good measure to Mr. Reagan's remarkable recu-

perative powers — not to speak of his quips — his government shifted promptly into a mode of operation for which "business as usual," the White House term, is an exaggerated but acceptable designation.

That said, it must be asked whether Secretary of State Haig committed a breach of taste or protocol Monday afternoon in the course, or in the name, of steadying the ship of state. Presumably, he meant to be plugging the hole left by the hospitalization of the president and by the temporary absence from Washington, and the White House Situation Room, of Vice President Bush.

Perhaps his performance would have passed with little notice if he had not been at the center of the previous week's flap over White House "crisis management." In any event, his agitated television manner and some of his words, including his claim to be "constitutionally" third in line for "the helm" and his assertion that "I am in control," did sharpen the very questions of personal style that had arisen the previous week.

Mr. Bush, meanwhile, was winning appreciative nods for acting in the modest and dutiful spirit that has come to be expected of vice presidents at moments of presidential accident or illness.

In sum, crisis may be a flawed medium for exploring either government or society. But this one provided Americans with a degree of reassurance to offset the shock and the injury caused by the gunman. The reassurance lies in the sense of sharing not only vulnerability but also the capacity, personal and institutional, to deal with a terrible event.

THE WASHINGTON POST.

## Swords, Sausage and Freedom

That was no mere strike for wages and benefits that Poland's labor movement canceled this week. It shied from civil war, a conflict bound to become a Polish-Soviet war, with grave consequences for the economies and diplomacies of East and West. No sane person could have wished for anything but retreat.

But the workers' compromise with Poland's Communist Party brings only a ceasefire along the world's most volatile frontiers — running smack through the middle of Poland's institutions. Now it is the West's turn to see whether truce and evolution can be bought.

Poland's Communist Party, already a wounded authority, is challenged from within as well as without to "renew" itself with secret contested elections this year. Its leaders are not only divided among themselves but also alienated from local party organizations. And Solidarity, the remarkable workers' union formed last August to make the Polish party and government more accountable, is plainly restive about the pace of reform. Lech Walesa's gradualism is beatified challenged in his ranks.

"We can compromise on the supply of onions, but not when blood has been spilled," wrote two of the injured victims of the police brutality against which the union had called its first general strike. Of 35 union leaders, four voted against Mr. Walesa's retreat from the brink and six abstained. And his challengers readily concede the Soviet charge that they harbor far-reaching political ambitions.

"It was our only chance so far to achieve almost everything — farm union, a lessening

of censorship, access to the mass media," said a disgruntled union leader. "But now it's gone. The balloon of tension has deflated and it can't be blown up again."

But it will blow up, again and again. The head-smashing in Bydgoszcz that provoked this crisis obviously had the consent of some national officials. They survive to provoke another day. And Mr. Walesa cannot contain his fiery colleagues if the party reneges on this week's compromise. The Poles walk a perilous line.

And they are dangerously low on food. Pleading in the Common Market for emergency shipments of meat, butter, milk and grain, the West Germans now warn that Poland may explode not over conflict between Solidarity and party but along the disconnected queues for meager rations.

Thus the land that has been repeatedly carved up by German and Russian power becomes an extraordinary laboratory for a new experiment in East-West balance. The West Germans propose to feed Poland — and thus to protect the West's \$27 billion in long-term loans to Warsaw — if the Soviet Union will appease the Polish hunger for a new political order.

The test, baldly put, is whether the economic power of the democratic nations can deter Soviet military might in Eastern Europe as it once did so famously in the West. There's no telling how long the saner Poles can keep their balance and uphold this evolution. As long as they can, the question for Americans will be how many swords and battleships ought now to be ground into sausage and traded for more freedom in Warsaw.

THE NEW YORK TIMES.

### In the International Edition

#### Seventy-Five Years Ago

April 3, 1906

PARIS — Today's editorial in the Herald says: "Rich Americans — and those who come to Paris to buy automobiles presumably are — invariably satisfy their ultimate desires in the auto line by buying big and fast machines. The American auto infant has been nourished with the little runabout, but soon craves something more substantial. The wonder is that Americans, born in an atmosphere surcharged with the odors of all things big, should have ever begun their auto experiences with runabouts. The trend in the direction of big automobiles harmonizes with the American mania for big buildings, big trusts, big hanks, big failures — everything big."

#### Fifty Years Ago

April 3, 1931

BERLIN — The mutiny of the Nazi troops in Berlin and in the eastern section of Germany against Hitler, according to the opinion of responsible government officials, signifies the end of violent Fascism in the country and the transformation of Hitler's movement into a legal Nationalist party. It appears certain that Hitler will retain his leadership, but probably at the cost of the disbanding of the bulk of his militant troops, many of whom are likely to join the Communists. It is estimated that 8,000 out of 60,000 storm troops are backing Stennes against Hitler. The Nazi storm troops are organized bodies of men resembling Fascist militia.



"Maybe They'll Start Calling This Our El Salvador."

## Angola, Namibia, and the U.S.

By Jonathan Power

LONDON — Has the Reagan administration forgotten what happened in Angola in 1975? Has it not read the fine print of the history of the negotiations agreed by all the parties, including five Western nations, to the Namibia dispute?

Those questions have to be asked because it is difficult to believe that the new administration, given African political developments over the last six years, could with their eyes open ask Congress to reverse the Clark Amendment limiting covert aid to Angola and fail to push the South Africans more strongly to begin the implementation of the carefully balanced Namibia settlement plan.

The Reagan administration claims to seek the reversal of the Clark Amendment as a matter of "principle" — not "policy." Yet it would be naive to assume that once the change in principle is made, policies won't follow. The Reagan administration should recall the reason for the 1975 resignation of the assistant secretary of state for African Affairs, Nathaniel Davis. In a memo written to Henry A. Kissinger, he wrote, "If we launch a program of covert support for Jonas Savimbi [leader then as now of the opposition guerrilla group, UNITA] we might find ourselves drawn in deeper very fast as the fighting produces more intense pressures for arms and ammunition as well as money. The political price we might pay — as reports of bloodshed and alleged atrocities multiply — would, I believe, exceed the possibility of accomplishment."

### Murky Period

Mr. Davis did not persuade Mr. Kissinger nor former President Gerald R. Ford. He resigned and a messy halfway kind of covert military support went ahead, working by means of a wink and a nod. In collusion with the South African Army, which penetrated deep into Angola. It is a murky period of history with both sides working on worst-case scenarios of each other's plans and motives. What is clear is that Mr. Davis' advice to Mr. Kissinger to try and solve the Angolan civil war by diplomatic means — building up Portugal's leverage and involving other African nations — would have been the sensible course to follow. Indeed, following the Clark

Amendment, which cut off U.S. covert support, this was the course the United States and most of the Western nations were forced into, although the French, the Saudi Arabians and South Africans have continued their support of Mr. Savimbi over the years.

The diplomatic approach has produced dividends. Angola's foreign policy has been accommodating to Western economic and political interests. Clutching at Straws

During the Namibian peace negotiations organized by the United States, Britain, France, West Germany and Canada, Angola has continuously pressured the South-West Africa People's Organization, the guerrilla group which has bases inside Angola, to make some accommodation on South African demands. After more than three years of negotiation, the South Africans and SWAPO agreed in late 1980 to a common plan for free elections and military disarmament.

What's more, the Angolans made it plain that once the Namibia agreement goes into effect and elections are held, the Cubans who remain in Angola will be asked to go. All that remained when President Reagan took office was for the South Africans to agree to a date to put the plan into motion. The South Africans, clutching at a straw at the UN conference in January, raised the issue of the impartiality of the United Nations as implementing body. It seemed to make nonsense of all they had negotiated before.

In three years they had never seriously raised this issue. From the beginning, the negotiations were openly predicated on the fact that if agreement were reached, the Security Council would be responsible for implementing it. Nevertheless, it looks as if the South Africans have the ear and sympathy of the new U.S. administration. The United States, although prepared to re-enter the international talks on Namibia, seems to want to turn the last three years on its head by pushing for the Cubans to go first, with consideration of a final agreement on Namibia to come later.

The new U.S. position that a Namibia settlement is more likely if there is a written constitution is transparently another delaying mechanism. The South Africans, who could have made it a demand

## The Lonely Crow And the President

By Anthony Lewis

BOSTON — When Robert F. Kennedy was assassinated in June, 1968, President Lyndon B. Johnson appointed a commission on violence in America. Its report pointed to a distinctive characteristic of assassinations in the United States.

In Europe and elsewhere, the commission noted, assassinations over the centuries have almost always been carried out for political reasons, by organized groups or individuals seeking power. In the United States, they have tended to be the work of "lonely, demented men."

When the commission reported, nine U.S. presidents or presidential candidates had been the targets of assassins; five — Lincoln, Garfield, McKinley and the two Kennedys — were killed. Of all the attacks, only that on President Harry S. Truman by Puerto Rican nationalists had an identifiable political purpose.

The attempt on President Reagan was in the historic mold of derangement. The young man charged with the crime, John W. Hinckley Jr., was indeed a spooky match for a profile drawn in 1969 by the violence commission. He was by other countries the symbol of the state is borne by someone beyond politics: in Britain, the Queen. No office combines in one person so much symbolic significance and so much power as does the U.S. presidency.

To strike at such a figure may be the ultimate fulfillment for someone following a fantasy of personal revenge and fame for himself. John

Wilkes Booth, before he kill, said that the man who would be famous throughout

But if the office attracts lonely assassins, what has it to make the attacks more frequent? Before 1963 there had been six assassinations of American presidents. In 174 years of U.S. history, 18 years since then have been six more: on John F. Kennedy, on George Lee, on Gerald Ford (twice) and on Ronald Reagan.

Television may be an important reason. In 1963 television of the tragedy in Dallas, and the cold-blooded murder of the man, home to every American, has been a constant reminder that such scenes may occur other potential killers. The that fantasies can come true.

In 1963 we were warned Kennedy's murder could other assassinations more because the driven men might seek to repeat what seen. The warning was at Now, once more, American watched an assassination played out on their screens young man or even child, so that, may try to repeat it from now?

When the news of the at Mr. Reagan came, America not react with the same surprise as in 1963. All of country, people noticed the each other. We know now can happen here.

The successive assassinations and attempts, not just on presidential figures but on Martin Luther King Jr. and others, have sized us. When all of us see, pouring from the head of a president's press secretary, what do to our capacity for feeling rage in future? George warned that the horrors century — the Holocaust, I have the tendency — making humanity increasingly different. Televised assassinations have a similar effect.

Along with the numb horror goes the feeling that will be done to prevent peering again. Someone will gun control, but the gun will prevail. The Secret Service talk of tightening protection, no president wants to live, makes a difference.

And there is no use preter makes no difference. The lions cope, yes. But Washington the city of open government buildings that it was 20 years. And this is not the country might have been: if the loss assassins of the last twenty years not done their work.

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## Appraising the Team Effort

By William Safire

WASHINGTON — In this week's test of the ability of the executive branch to respond to an emergency, how did the top officials of the Reagan administration perform?

President Reagan came through like John Wayne. In refusing to let a single bullet stop him, and in entering the hospital under his own steam before collapsing, he seemed to embody all the true grit of a Western hero. Afterward, the quip to a pretty nurse — "Does Nancy know about us?" — assured the nation that he had his sense of humor and all the other senses that go with it.

The vice president comported himself with dignity and propriety. By coincidence, a former Nixon aide, Herbert Klein, was in James S. Brady's office on the afternoon of the shooting, and pointed out to Reagan staffers the precedents during former President Dwight D. Eisenhower's heart attack. An analysis of that section of Richard Nixon's "Six Crises" was promptly prepared by speechwriter Anthony Dolan, cautioning the vice president "to appear neither brash nor timid." George Bush struck just the right note.

The White House staff triumvirate — Edwin Meese 3d, James A. Baker 3d, Michael Weaver — reacted quickly and calmly. Lyn Nofziger instinctively stepped into the press chaos and the hospital, after a delay, put forward a remarkably apt spokesman. The Se-

cret Service reacted as swiftly as humanly possible, it might be time now to void those peripheral appearances outside planned events that have enabled would-be assassins to attack former President Gerald R. Ford and Mr. Reagan.

The only top official to shake the Situation Room, he created a problem by insisting on solving a problem that was not acute — to "end the confusion" by asserting he was in charge until the vice president arrived. He then changed upstairs to go on television and do just the opposite of calming the nation. His voice was quavering, as a stress test would show; he was sweating, straining to keep calm, a man apparently on the edge of panic.

The secretary assured us he was "in control" and went on to show an incredible lack of understanding of constitutional succession. Later, the State Department had to explain he meant merely that he was the senior Cabinet official. When Mr. Haig went back to the Situation Room, Defense Secretary Caspar W. Weinberger, an attorney with a calm demeanor, led to remind him that the military command structure ran from president to vice president to secretary of defense.

The 14 people in the Situation Room during that five-and-a-half-hour session knew that the proceedings were being preserved by a tape recorder in plain view; and that secret record will be useful to political scientists one day. However, the publicly televised appearance of a shaken Alexander Haig, needlessly raising the possibility of Mr. Reagan's meeting to "renew the helm," is the picture that disturbed many Americans.

Mr. Haig may be getting uptight, but it should be remembered that his motive was patriotic. He was trying to let the world know that our retaliatory power was not anesthetized with the president. (If the Russians had been planning to invade Poland and this week they surely would have invaded — not only for fear of an accusation of com-

licity in the shootings, I concern about whose finger the nuclear button.)

With that non-urging in mind, White House aid last week were wondering Haig's power last had earned a ticket back to private life; week trying to shore up his. The new party line that his crisis behavior was plucky, that he is indeed the Cabinet official, and that been asked to be "chief of point" in the Situation Room.

That flip-flop is understandable. Mr. Haig is in a tight, and with quick respect protected but not guaranteed, ministerial is doubly delicate to present an appearance of stability. The weakness salvage-Haig operation is more than a dozen men in situation in the Situation and that millions saw the possibly "in control" of meant not wholly in control itself.

The men who have strength and cool judgment these nerve-racking days are to support the member team who fell short, hoping the pressure on Mr. Haig might cause dramatics on his side East Trip. On the who president's top men have themselves to be a trust team, prepared to do more hold the fort until their leg turns.

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## Letters

### European 'Powers'

"Powers of the Past" would have been a more appropriate title for Wayland Young's "Europe's Bid for Mideast" (HT, March 6). Europe has practiced for more than a millennium the cynical art of "divide and conquer" as well as backing the strong at the expense of the weak. The minorities in the Mideast have become to these European governments expendable pawns to serve their economic and political interests.

The Kurds are one of the recent examples — but the Jews had been growled at by Europe's wolves for many years and their bloodstained fangs have not dried yet since World War II.

These same Europeans who refused to open their gates to Jews fleeing the maniacal chase by the Nazis are not satisfied. They want to assure themselves that the PLO shall destroy the remnants. It is the PLO which declared that its aim is to destroy the Israeli Jews. This PLO is now courted by these same "powers" whose hands are still bloodstained. I hope that Mr.

Young's "philosophy" and that of his associates shall not bear the fruits of evil for which they have been hankering.

ALEXANDER GAAT.

Tel Aviv.

### Stepping-Stone

Truly a fine display of "fictional facts" leading the reader on a wild-goose chase in Anthony Lewis' article, "Doubts on Haig Caper" (HT, March 9).

Congratulations, Mr. Lewis, you had me fooled up until the last paragraph, where it seemed you found enough courage to stop beating around the bush, and finally set the real tone of the article — Haig vs. Kissinger.

As far as Mr. Haig "aching for the presidency," I don't think he does as much as Mr. Kissinger did.

Not long ago, a friend of mine in the Justice Department showed me Mr. Kissinger's certificate of naturalization. I asked him if it was legally possible, under the Constitution, for Mr. Kissinger to

reach the presidency. My friend answered: "You could have asked him personally, just yesterday, he was here on what he termed research."

I never quite envisioned the State Department as a personalized research center or as a stepping-stone to the Oval Office. Thank you, Mr. Lewis, your turn.

MANUELA TORRES.  
Malaga, Spain.

## INTERNATIONAL **Herald Tribune**

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# Drug Found to Lower Heart-Attack Risk

## Death Rate Cut Almost in Half for Patients in Norway Study

By Arnold M. Schmeck Jr.  
*New York Times Service*  
An extensive study of heart-attack patients who are given a drug called beta-blockers has shown that the drug reduced the overall risk of dying by almost 50 percent and cut almost in half the death rate of those who suffered a high-risk heart attack, according to a report published Wednesday.

The study also showed that the drug reduced the risk of dying by almost 50 percent and cut almost in half the death rate of those who suffered a high-risk heart attack, according to a report published Wednesday.

The study was done in Norway and involved 20 hospitals serving one-third of the population. The study involved 1,000 patients and was conducted over a period of 33 months. The results suggest that this drug holds promise for the prevention of a second heart attack and other drug extensively.

### Fewer Deaths

Results comparable to those in the United States, it means a saving of 12,000 lives a year, Dr. Terje, the project coordinator, said on Wednesday in Oslo. He is a research fellow at the University of Bergen and a staff member at Sarsborg in Sarsborg, Norway. The drug, developed by Sharp & Dohme Research Laboratories, is being evaluated by the Food and Drug Administration.

known effects of the drug — such as patients who had asthma or persistent low blood pressure. Those accepted received the drug daily in tablet form, starting one to four weeks after their heart attack. The protective effect was demonstrated when the results with these patients were compared with closely comparable heart-attack patients who were given harmless but inert tablets, or placebos, instead of the drug. There were 152 deaths among those who took the placebo and 98 among those who received the drug during the 33 months of the study, the report said. Also, there was a substantial reduction in subsequent heart attacks among those who received the drug.

### Patients Rejected

In the United States, about 400,000 patients a year survive heart attacks and are able to leave the hospital afterward. There is a substantial toll of subsequent heart attacks resulting in death. It was among the subsequent patients that the study in Norway demonstrated a strong reduction in mortality.

### Some patients were rejected for the study for reasons related to

communications Corp. and a mail-only Post Office. It also allows private enterprises to break the state's postal and telecommunications monopolies for the first time. Many lawmakers contended that the lack of a statute covering wiretaps made the practice open to abuse by police and security authorities. Opposition Laborites, with the support of some Conservatives, proposed a code banning all wiretapping unless under warrant and aimed at detecting serious crime.

### But Home Secretary William Whitelaw, the Cabinet minister responsible for law and order, warned that the lives of police and security informants would be endangered if there were legal controls on wiretapping.

### Discussions of the measure itself ended about four hours later when the act was approved by a vote of 257-156. It was a record for a Commons session of 25 hours. The previous record set in July, 1977, was 24 hours, 49 minutes.

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Further, the gap in mortality between the placebo- and drug-treated groups continued to widen during the entire term of the study, suggesting that the protection of the drug persisted at least that long. There have been other trials of various drugs for long-term use after heart attacks, but none has shown enough success to produce a consensus on such treatment among heart specialists. The new study was praised as impressive by an editorial in the medical journal and was described as almost flawless in study design by an expert in that kind of research. Merck's brand name for Timolol is Blocadren. It is one of a class of drugs known as beta-adrenergic blocking agents, so called because they block the action of hormones called catecholamines which affect heart action, blood pressure and other body functions. Several beta-blocking agents are in use throughout the world for such purposes as treating high blood pressure and disturbances of heart rhythm. Two such drugs, Propranolol and Metoprolol, have been approved by the Food and Drug Administration for those purposes, according to an American Medical Association source book on drugs. Timolol, in the form of eye-drops, has been approved for use against glaucoma, the eye disease, but use for patients who have survived heart attacks is still under consideration by the drug agency. A Merck official said that the firm's application for approval is in its final stage and includes data from the Norwegian multi-hospital study. He said the company hoped for approval within a year.

### U.S. Cancer Unit Accused on Drug Risk

By Philip J. Hilts  
*Washington Post Service*  
WASHINGTON — The National Cancer Institute failed for almost a year to tell doctors, patients or the Food and Drug Administration that an anti-cancer drug they are testing on thousands of cancer patients can cause kidney failure, FDA officials have charged.

Investigators have found numerous cases of severe kidney damage in patients, including children, who have taken the drug, which is known as Methyl CCNU. That and other alleged violations of FDA regulations for testing new drugs by the NCI, were made public Wednesday by Stuart Nightingale and Alan Lisook of the FDA before the Subcommittee on Investigations and Oversight of the House Committee on Science and Technology. The subcommittee was holding its second day of hearings on scientific fraud and misbehavior, during which the repeated allegation was made that science has little or no apparatus to handle faked data, plagiarism and other scientific crimes.

### Series of Documents

If the charges against the NCI are confirmed, the FDA has the power to halt all further trials of the cancer drug. The FDA testimony was based on a series of documents that the FDA found in the files of the institute. They include a letter dated Nov. 13, 1978, four months before the NCI notified anyone of the danger, in which Dr. Harvey Cohen of the Children's Hospital of Boston described at least 14 cases of kidney damage that occurred in cases where the drug had been used.

### Mr. Lisook said that the FDA received an angry letter in September, 1978, from a parent whose child's brain tumor was treated with the drug. The mother told the FDA that she had been informed of other possible side effects of the drug, but out of the possibility that her child might have kidney failure.

### An NCI spokesman acknowledged that the institute learned of that case and two others in June, 1978, and immediately started an investigation, which took six months. After it confirmed the connection between the drug and kidney failure, the NCI notified the FDA, the spokesman said.

### FDA regulations require that cases of serious side effects be reported within hours or days of the time they are discovered. In this instance it was at least 10 months.



Cardinal Jozef Slipyi

### Prelate Reports Catholic Deaths in the Ukraine

United Press International  
ROME — Cardinal Jozef Slipyi says that 1,400 priests, 800 monks and tens of thousands of other Roman Catholics have "died for their faith" since Soviet authorities cracked down on the church in the Ukraine in 1945.

He offered no details beyond saying that the figures came from clandestine letters from church officials there. The 89-year-old Ukrainian prelate, who has been living for years in exile in Rome, made the statement in a report published on Wednesday by an organization called Aid to the Church That Suffers.

### President Marcos' attempt to bring in the Islamic Conference as mediator ended when Libya's pan-Islamic leader, Col. Moamer Qadhafi, and Mr. Marcos coalesced the 1976 Tripoli agreement, which was to provide limited autonomy for the 13 Moslem provinces on Mindanao Island. But the Middle East-based Moro National Liberation Front, which is spearheading the rebellion with an estimated 22,000 guerrillas, rejected the two regional autonomous governments that Mr. Marcos set up in 1979, and a cease-fire collapsed.

### Moslems and the military are blaming each other for events that led to the Feb. 4 massacre. According to the Defense Ministry, a lieutenant colonel who was lured into a trap and held at gunpoint by the rebels ordered his men to unload their guns. The soldiers were then mowed down, and some were beheaded or mutilated before their corpses were burned.

### In the army's retaliation, the rebels have so far lost 49 men, including their leader, Masud Uson, according to the official count. Ground forces began large-scale search missions and the air force bombarded Pata, the small coral island southwest of Mindanao where the massacre took place, in the Sulu Archipelago 95 miles southwest of Zamboanga City.

### Nearly 7,000 civilians, half of Pata's population, have been removed to centers on the island. The death toll from air bombing and strafing has not been determined, but the southern command

# Massacre and Anti-Moslem Retaliation Make It Harder to Heal Philippine Split

By Abby Tan  
*Washington Post Service*

ZAMBOANGA CITY, Philippines — Efforts to settle the growing Moslem rebellion against the Christian government have received a sharp setback because of the massacre of 122 army soldiers on nearby Pata Island and the military retaliation against the Moslems that followed. That episode in February in the violent conflict has blocked the efforts of President Ferdinand E. Marcos' government to end the Libyan-backed secession movement. Mr. Marcos says that the conflict has claimed more than 60,000 lives since it broke out in 1972 and that it has died under a third of the army.

### Moslem leaders declare that the latest violence will only intensify their agitation for self-rule. Moslems make up 6 percent of the 48 million Filipinos, who are predominantly Christian. They are the country's largest minority and they charge that the Christian majority has long discriminated against them. Their areas, in the southern part of the country, are economically depressed and have the lowest literacy rate in the country.

### Beheadings Recalled

### President Marcos' attempt to bring in the Islamic Conference as mediator ended when Libya's pan-Islamic leader, Col. Moamer Qadhafi, and Mr. Marcos coalesced the 1976 Tripoli agreement, which was to provide limited autonomy for the 13 Moslem provinces on Mindanao Island. But the Middle East-based Moro National Liberation Front, which is spearheading the rebellion with an estimated 22,000 guerrillas, rejected the two regional autonomous governments that Mr. Marcos set up in 1979, and a cease-fire collapsed.

### Moslems and the military are blaming each other for events that led to the Feb. 4 massacre. According to the Defense Ministry, a lieutenant colonel who was lured into a trap and held at gunpoint by the rebels ordered his men to unload their guns. The soldiers were then mowed down, and some were beheaded or mutilated before their corpses were burned.

### In the army's retaliation, the rebels have so far lost 49 men, including their leader, Masud Uson, according to the official count. Ground forces began large-scale search missions and the air force bombarded Pata, the small coral island southwest of Mindanao where the massacre took place, in the Sulu Archipelago 95 miles southwest of Zamboanga City.

### Nearly 7,000 civilians, half of Pata's population, have been removed to centers on the island. The death toll from air bombing and strafing has not been determined, but the southern command

chief, Brig. Gen. Delfin Castro, has been quoted as saying that many civilians inevitably get killed in an operation on Pata's scale. A ranking leader of the Tausugs, the warlike Moslem tribe of the Sulu group, said: "The indiscriminate shooting has made it difficult for us to persuade the people to vote 'yes' in the April 7 plebiscite." He referred to a referendum in which Mr. Marcos seeks to amend the constitution so that he can run for president again next June. Another Moslem leader, Sharif Zain Jali, a teacher of Islamic law, said: "We are no longer safe. I told everybody in the mosques to be prepared to defend themselves. I told them not to surrender their arms."

### Part of the issue now is a feeling

### by many Moslems that government-appointed Moslem leaders have chosen not to inquire too deeply into grievances.

### The autonomous government of western Mindanao, for example, sent a fact-finding team to Pata two weeks ago to investigate charges of military abuses as the reasons for the anger leading to the massacre. The leader of the team and speaker of the local assembly, Nur Ututalum, on his return vehemently denied the allegations, saying that the evacuees told him there had been no abuses by soldiers before the massacre.

### Mr. Jali, who said that many of his relatives in Pata had been killed, said bitterly: "They couldn't tell the truth because of the army."

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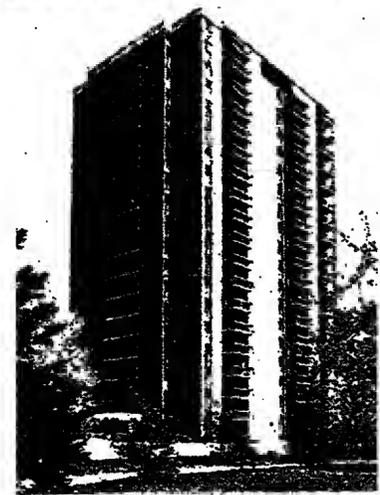
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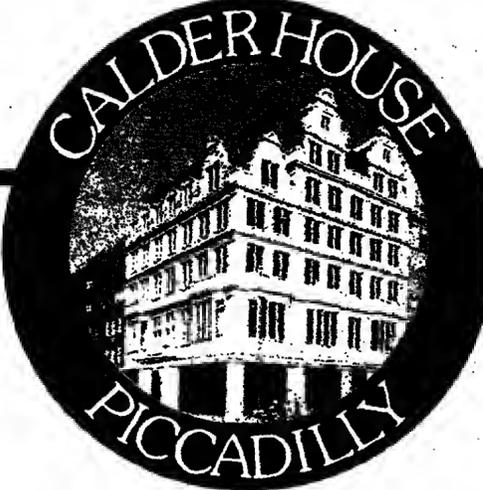
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## OLD PORT COVE

Mormon Project

Polynesian Center Has Harassment of Profit

By Pamela G. Hollie

The Associated Press

HAWAII — The Polynesian Cultural Center, a 42-acre and entertainment complex of Hawaii's major sites, is also a business that is expected to gross the \$23 million this year, bringing the church an amount of riches.

The Mormon Church operates a wide range of businesses, whose function has been to redistribute funds among church projects. But as the businesses have expanded and become more successful, the church's altruism has often been challenged. So, in this fight, the church says it wants to set the record straight.

"We did not establish the center to make a profit," said Baden Fere, a New Zealander, director of cultural education. "We established the center to further the education of the students and the community. We are assisting in the preservation of Polynesian cultures."

But as a business venture, the center has a winning formula: an exotic setting far from other competition, handsome young people, efficient marketing, a controlled labor source, church financing, relatively low operating costs, and local support (Lai is a Mormon community). Revenues have climbed from an estimated \$3.7 million in 1970 to at least \$20 million in 1980.

"The cultural center was designed to help the university," Ashton said, but at times it is difficult to tell which is helping which. When the university recruits students it keeps in mind that there have to be so many Fijians, Tongans and Maoris each year to replace those who graduated. There have to be a certain number of musicians, singers and dancers.

Once they are in Hawaii, many of the students are totally dependent upon the university, the center and the Mormon community. Critics complain that the center exploits students. For foreign students without employment papers, there is no other place to work. And although some student performers make up to \$6 an hour, others are paid the minimum wage, \$3.35. If the center paid the students like the professionals they are, critics say, the center would not have such a problem with excess funds.

There was no problem when we were in Hawaii, said William Cravens, director of the center. "Then we started generating excess money right back into the university or the center." The center has its own board and is independent of the church and the state. It has to put on a good said William Wallace, out-

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side, perhaps too well. The Revenue Service recently that the Polynesian Cultural Center, which has grossed an estimated \$23 million since it is too profitable and too small to be tax-exempt. If the Polynesian Cultural Center could face a bill of \$9 million in back taxes.



PRESENT-DAY GREECE — This portrait of the interior of an Athens boutique by the English photographer Chris Steele-Perkins is part of the show "Greece au present," commissioned by the information office of the European Economic Community and mounted at the Centre Pompidou in Paris to June 15 to herald Greece's entry into the EEC. The exhibition of 80 black-and-white and color pictures also includes the work of three French photographers, Jean-Paul Paireault, Mireille Dupuis and Jean-Francois Lefevre. — C.G. CUPIC.

The Stage

'Cafe Theater' Improvises in Frankfurt

By Frank Thomas Smith

International Herald Tribune

FRANKFURT — The Cafe Theater is way off Broadway, but its style evokes the comparison: an improvised theater in a converted warehouse loft in the bohemian Alt-Sachsenhausen section of Frankfurt. The language is English and the atmosphere is as American as Judith Rosenbauer, its leading lady.

In 18 months, the company, run by actor-directors Rosenbauer, Jon Johnson and Keith LeFever, has produced plays by Sam Shepard, Edward Albee, Harold Pinter and others, including two new plays by unknown authors, "Reduced Circumstances" by Joe Rippter and "Help" by Michael McGuire. They would like to do more new plays. "If the audience trusts us with the standards, they'll come to see us doing an unknown playwright's work as well," LeFever said.

The Cafe Theater has been an artistic success, but with only 80 seats financing is a problem. The only income is from the ticket sales at 8 marks (about \$4) a seat and a monthly subsidy of a thousand marks from the city of Frankfurt. This is enough to support one actor-manager (LeFever) and pay the others 10 marks a performance. On May 1, the theater is moving to slightly larger quarters, where the ticket price is likely to rise. To finance the move, Judith Rosenbauer took out personal bank loans using her apartment as collateral.

There are performances four nights a week, Thursday through Sunday. Once in the new premises there will be performances seven nights a week and a real cafe next to the theater proper. The present "cafe" consists of a bar in the audience area which serves coffee, soft drinks, sandwiches and soup.

Judith Rosenbauer, born 36 years ago in The Bronx and raised in Queens, studied drama at the State University of New York. She met and married a German exchange student and came with him to West Germany, where he be-

came a television journalist and she a housewife and mother. But her passion was and is acting and the theater. She worked briefly for the Frankfurt municipal Schauspielhaus, but was confronted with the problem of black actors everywhere: not enough roles for people with black faces, compounded by the dearth of German plays with opportunities for someone like her. So she joined a small American group which eventually developed into the Cafe Theater.

She decided to overcome the disparity between white roles and a black actress by ignoring it — almost. In the troupe's production of Tennessee Williams' "The Glass Menagerie," for example, she played the lead: an ambitious, aging Southern belle. She feels that she can enter into the psyche of a white person, even a bigoted one, and sees no reason why she should not play a white.

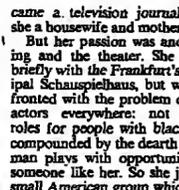
But there are limits: "We left out some of the racist expressions in the original script, like 'We had to send the nigger over to get the folding chairs from the parish,' or 'You be the lady this time and I'll be the ducky.' I just couldn't hear myself saying those things." LeFever puts it differently: "It would have been too much. We're

trying to create an effect, make the audience forget the contradiction, so we didn't want to remind them of it with lines like that."

In Shaw's short play "Village Wooing," Rosenbauer plays a lower-middle-class English shopgirl who blows her village contest winnings on a first-class ocean cruise, on which she meets a tarty Occident guidebook author, played by a genuine Englishman, Richard Lord. If her British accent was less than ideal, it is doubtful that many in the predominantly German audience noticed.

Although the Cafe Theater is a triumph, it is Rosenbauer who gets most of the attention in the German press, but LeFever, Johnson and the other actors welcome the attention she attracts to the theater.

The Cafe Theater is many things to many people. For the Germans in the audience it is a relief from the "modernized" classics and acting style in the official theaters. For the English-speaking community it is English-language theater in a foreign environment. For Judith Rosenbauer it is a dream coming true: a theater in which she and her co-workers can exercise their chosen professions.



Rosenbauer

Vienna Discord

Women Seek Places in 2 Orchestras

By Kenneth Jantz

The Associated Press

VIENNA — Demands that women be allowed to play in two prestigious Viennese orchestras — among the last all-male bastions of their kind — have set off clashing chords of protest here.

All but three of the world's major orchestras include women. Two of the three are here, the Vienna Philharmonic and the Vienna Symphony orchestras.

For Johanna Dohnal, an Austrian official, that is "too many for our small country." Mrs. Dohnal, with support from Vienna's Academy of Music and the Performing Arts, has struck up a campaign to press the orchestras for changes in their all-male policy with a concert and a panel discussion given by female members of Austria's lesser-known orchestras.

"This is going to be a long, hard process — mostly a matter of consciousness-raising," Mrs. Dohnal said. "These things take time here. It wasn't until after the turn of the century that they admitted women to the university, but I am confident we will eventually change things in the music field too."

But change appears to come slowly in Vienna, a city conservative in its musical heritage. Even the Berlin Philharmonic, also all-male, auditions women.

At a recent symposium, representatives of the Philharmonic and the Symphony rejected Mrs. Dohnal's charges of discrimination. They suggested that women were not up to the rigorous training and performing schedules and would destroy what they said was the traditional visual impression created by an all-male orchestra.

Representatives of the orchestras have repeatedly hinted that pregnancy leaves for female members would disrupt the functioning of the orchestras. In addition, members often note that their orchestras are legally private associations, free to set the policies agreed upon by members.

The comments have brought a howl of protest from newspapers and a deluge of mail to the orchestras' offices.

"Through ridiculous arguments [the orchestras] have kept women from even testing their skills against those of male applicants," said the Kronenzeitung, Vienna's largest-selling newspaper.

"We have no desire to discriminate, but this is a matter of tradition and tradition is very important here," said an administrative assistant at the 138-year-old Philharmonic, who requested anonymity.

According to the Academy for Music, which is now conducting a survey of the role of women in mu-

sic, the exclusionary policies of Vienna's top two orchestras discourage women from continuing their musical education. Although an equal number of men and women start the eight-year academy course, only 16 percent of those completing their studies last year were female.

"The dropout rate for women is very discouraging," says Elana Osleitner, an administrator at the academy. "We are positive more women would be encouraged to go on if they had even the remotest chance of some day being in a top orchestra here."

But even if the orchestras changed their policies, that chance would still be remote, because the average age of performers in Vienna's orchestras is now less than in most major orchestras.

"We're very young now. Our average age is only around 40," a Philharmonic spokeswoman said. "So what we're really talking about in practical terms is only one position becoming available every year or two."

Former alumni of the company are making comebacks from all directions for the celebrations. Doreen Wells, now the Marchioness of Londonderry and the mother of a family, took the role of the Beraved Girl in de Valois' ballet, dancing with restrained poignancy and watched approvingly by the choreographer.

In the same program Brenda Last, who left to become director of the Norwegian National Ballet in Oslo for three years, was back to repeat her earlier successes in the title role of "Pineapple Poll." John Cranko's Gilbert and Sullivan frolic has seldom been out of the repertory in the 30 years since it was premiered, and it remains a spirited entertainment on its own terms of reliance on winsome charm. It was notably well danced, including the dashing Captain Belaye of Carl Myers and his bevy of swooning admirers pretending to be bearded sailors. So also were the solo roles in Kenneth MacMillan's "Dances Concertantes" this first commissioned ballet, in 1955, in spite of the tacky new plastic designs it acquired from Nicholas Georgiadis 18 months ago.

Princess Margaret, an active president of the Royal Ballet for 25 years, saw this program at a special performance Wednesday, plus Sir Frederick Ashton's "Soupirs," a pas de deux that brought back Antonette Sibley from motherhood and retirement to rejoin Anthony Dowell. She is also appearing in the opening programs at Covent Garden with Dowell in the revival of Sir Robert Helpmann's "Hamlet" (1942).

MacMillan's three-act "Manon" (1974) for the Covent Garden company has acquired a new orchestra of its Massenet musical anthology from John Lanchbery, who also conducted. The pieces, all short and none from the opera, formerly sounded pretty bloodless in relation to the passionate stage goings-on of abduction, seduction, murder and mayhem, and the change is for the better in supporting this with more orchestral body and color except when it becomes merely brass. Marguerite Porter proved a marvelous new Manon for the ballet, with Wayne Eagling repeating his fine des Grieux and Derek Deane a successfully sizzling new Lescart.

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Boston Symphony Plans World Tour

United Press International

BOSTON — The Boston Symphony Orchestra will make an eight-city world tour later this year and present three world premieres next fall to mark its 100th anniversary, orchestra officials announced Wednesday.

The orchestra will go on tour from Oct. 26 to Nov. 18, making appearances in Osaka, Nagoya and Tokyo, Japan; Paris, Frankfurt, Berlin, Vienna and London.

The BSO will present a free performance of Beethoven's Ninth Symphony on Boston Common on Thursday, Oct. 22, the 100th anniversary of the orchestra's founding. The BSO will also offer premiere works by composers Roger Sessions and Andrzej Panufnik during its 1981-82 season. It will also present a premiere violin concerto by Robert Starer.

PARIS AMUSEMENTS

CINEMAS - THEATERS - RESTAURANTS - NIGHT CLUBS

UGC ELYSEES CINEMA - UGC ODEON - STUDIO DE LA HARPE UGC ROTONDE MONTPARNAISSE - 14 JUILLET BEAUGRENELLE

REX - BIENVENUE MONTPARNAISSE - HELDER - AUSTRAL - CLOCHY PATHÉ CONVENTION ST. CHARLES - UGC GARE DE LYON - FAUVETTE

Versailles: CYRANO - Créteil: ARTEL - Enghien: FRANCAIS - Vélizy: VELIZY 2 Nogent: ARTEL - La Defense: QUATRE TEMPS

Advertisement for a film featuring Jane Fonda, Lily Tomlin, and Dolly Parton. The text reads: 'JANE FONDA / LILY TOMLIN / DOLLY PARTON COMMENT SE DEBARRASSER DE SON PATRON'.



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Ah, the food in Europe! It's really something else. You'll sample the kinds of treats you wish you could share with the folks you left behind. So make their mouths water. Give 'em a call. But be sure to check these mark-saving tips first.

**SAVE ON SURCHARGES** Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money. **SAVE WITH A SHORTIE** In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.

**SAVE THESE OTHER WAYS** Telephone Company credit card and collect calls may be placed in many countries. And where they are, the

hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

**SAVE NIGHTS & WEEKENDS** Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable. Have you digested that? O.K. Now pass the mustard!

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Reach out and touch someone

Advertisement for Monaco special supplement. It features the text 'Monaco special supplement' and 'INTERNATIONAL Herald Tribune April 30, 1981'.



FOCUS ON  
**WEST GERMANY**  
**1981**



Part 3

Investing:  
**A Period of Change**

By Howard Roberts

FRANKFURT — A dramatic change has swept across West German capital investment markets, a once-secure base for excess funds has become something of a pariah in the eyes of surplus-holding countries eager to take advantage of the more attractive returns by the Britain, the United States and

... interest rates in West Germany always have been lower than those so why has the German market been only shunned by the investing world? The opinion of one German investment analyst says the answer lies in the changing attitudes of investors.

**Fundamentals Change**  
"The fundamentals have changed," the analyst says. "Investors are now not just looking for high yields and comparative inflation, but are scrutinizing very carefully the economic and political situation. They are contrasting the problems of the German government with the seemingly more determined policies of Margaret Thatcher and Ronald Reagan."

In the 1960s, West Germany had something to offer: a stable economy and a political situation that was a magnet for investment. But in the mid-seventies when the first oil shocks came from the Middle East, it was nothing could prevent the rise in

... many overcame this first oil price rise... and it became clear that the... problems in the German economy... many's dependence on imported oil was... and the... plunged from a surplus of over 18... in 1978 to a deficit of 10 billion... This decline repeated itself in 1980... he shortfall totalled DM28 billion... investors became skeptical. They... the trend on the German capital... which boomed when they bought

(Continued on Page 11S)

anks: Doubt  
**World Aims**

By Joshua Larkin

ANKFURT — For many West German bankers the question in regard to expansion of international networks is not "when" but "whether."

... prospects of a free-trade zone for bank... New York has not produced a rush of... to find new subsidiaries and branches

... mark by one top executive raised specu... that some banks might pare the size of... abroad.

... a press conference in January, Paul... interim chairman of Com... bank AG, remarked that the Luxembourg... building of Commerzbank International... as ideally suited for uses other than bank-

... eral senior officials of the bank deny any... from Luxembourg is under considera... "We have no plans to change our position... Luxembourg," said Dr. Wolfgang Jahn... of international operations, but Mr... enberg's statement has made other bank... insider how wide their own nets should

... ndesbank Rheinland-Pfalz is a relative... omer to the ranks of German banks oper... abroad. In the early 1970s it had a stake... consortium bank in Luxembourg, but only... e last two years did it establish its own... diary.

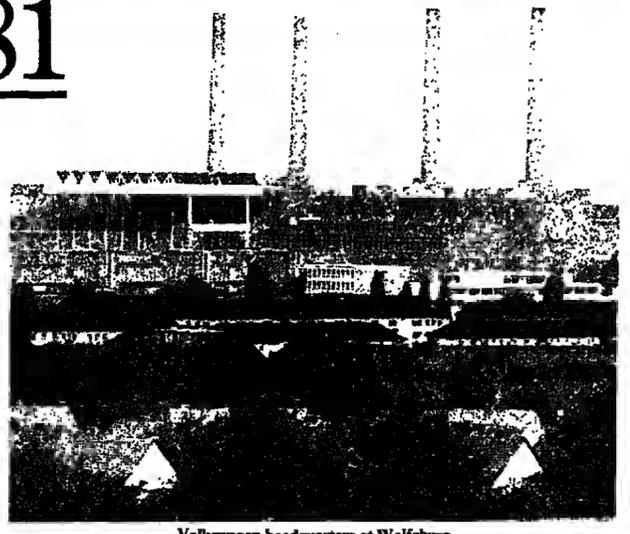
... eodor Somon, head of international oper... (Continued on Page 11S)

**The 50 Leading Industrial Companies**

RANK 1979	COMPANY	SECTOR	TURNOVER (DM billions)		EMPLOYEES (in 1,000s)		NOTES
			1979	1978	1979	1978	
1.	Veba	Energy/Oil/Chemicals	36,606	31,177	81.4	81.9	D
2.	Volkswagenwerk	Motor vehicles	30,707	26,724	239.7	206.9	W
3.	Siemens	Electrical goods	28,022	29,009	334.0	322.0	W
4.	BASF	Chemicals	28,022	23,254	117.2	115.4	W
5.	Daimler	Motor vehicles	27,367	24,236	180.7	173.2	W
6.	Hoechst	Chemicals	27,080	24,191	182.7	180.7	W
7.	Boyer	Chemicals	26,003	22,836	181.0	179.0	W
8.	Thyssen	Steel	25,358	23,459	157.3	159.9	W
	Volkswagenwerk (No. 2)		24,257	22,383	115.4	108.4	I
	Siemens (No. 3)		22,455	23,462	—	—	D
	Thyssen (No. 8)		21,076	19,212	128.6	129.9	D
	BASF (No. 4)		20,498	17,000	—	—	D
9.	Kloekner-Bereich	Steel	17,589	14,573	74.6	72.4	O
10.	Deutsche Shell	Oil	17,036	11,893	—	—	O
	Yasar Cel AG (No. 1)		16,523	9,848	23.4	11.6	D
11.	Deutsche BP	Oil	16,484	9,528	4.3	4.2	I
12.	Ruhrtahl	Mining	16,222	12,488	134.2	136.5	D
13.	RWE	Power generation	15,669	12,778	65.4	58.3	D
14.	Esso	Oil	15,275	12,076	4.4	4.5	D
15.	AEG-Telefunken	Electrical goods	14,208	14,097	154.3	162.6	W
	Hoechst (No. 6)		14,097	13,076	—	—	D
	Boyer (No. 7)		13,662	12,100	—	—	D
16.	Guthhoffnungshütte	Machinery	13,617	12,401	84.6	84.4	O
17.	Krupp	Steel/Machinery	12,787	11,899	86.2	84.7	W
18.	Mannesmann	Steel/Machinery	12,500	12,670	105.8	105.7	W
	AEG-Telefunken (No. 15)		11,929	12,024	—	—	D
19.	Opel	Motor vehicles	10,950	10,642	—	64.8	I
20.	Ford	Motor vehicles	10,911	10,475	57.8	58.3	I
21.	Boch	Electrical goods	10,804	9,618	120.5	117.8	W
	Mannesmann (No. 18)		10,443	10,641	—	—	D
	Guthhoffnungshütte (No. 16)		10,238	9,479	—	—	D
22.	Quarsh-Bereich	Holding company	10,200	9,200	—	—	O
	RWE (No. 13)		9,082	8,212	21.9	21.5	I
23.	Flick-Gruppe	Chemicals/Paper/Steel	8,740	7,824	46.9	45.9	D
24.	Metallgesellschaft	Chemicals	8,600	8,000	—	—	W
	Wintershall (No. 4)		7,900	6,600	16.7	17.0	O
	Metallgesellschaft (No. 24)		7,891	7,117	27.3	27.3	D
25.	Hoesch Werke	Steel	7,658	6,538	49.1	47.4	D
26.	Deutsche Unilever	Foods	7,614	7,307	35.0	34.8	D
	BMW (No. 22)		7,407	6,557	41.9	39.8	W
27.	Deutsche Tesa	Oil	7,359	5,885	4.8	5.3	D
28.	Salzgitter	Steel/Shipyards	7,195	6,724	55.7	50.1	D
	Boch GmbH (No. 21)		7,181	6,353	63.1	61.2	I
	MAN (No. 16)		7,070	6,727	62.3	62.1	O
29.	Mobil Oil in Deutschland	Oil	6,793	5,174	2.4	2.4	I
30.	IBM	Electronics	6,593	6,318	26.5	26.0	I
31.	Reemtsma	Tobacco	6,415	6,264	14.1	13.8	W
	Ruhrgas	Energy	6,244	5,493	—	—	D
32.	Hensel-Gruppe	Chem./Detergents	6,138	5,602	32.7	33.3	W
33.	Dagussa	Chem./Plastics/Met.	6,058	4,983	20.5	20.2	W
34.	Holzmann	Construction	5,774	4,197	41.1	27.5	O
	Huels (No. 1)		5,479	2,673	22.5	16.3	W
	Dagussa (No. 34)		5,408	4,496	12.9	12.7	D
	Krupp-Huettenwerke (No. 17)		5,284	4,437	40.3	37.6	O
	Fried. Krupp (No. 17)		5,200	5,036	—	—	I
	Audi NSU (No. 2)		5,177	4,309	29.8	28.5	I
	Preussag (No. 1)		5,066	4,613	14.9	14.8	I
	Kloekner Werke (No. 9)		5,016	4,244	31.7	30.8	W
36.	Hochtief	Construction	5,014	4,303	31.5	31.1	O
37.	Scarberg-Gruppe	Power plants	5,002	3,821	30.8	29.3	D
	Buderus (No. 23)		4,889	4,309	22.8	22.2	O
	Mannesmannroehrm (No. 18)		4,814	4,305	31.4	32.2	O
38.	Viag	Holding company	4,302	3,398	24.6	22.2	D
	KHD (No. 9)		4,250	3,739	31.5	31.3	D
39.	Deutsche Philips	Electrical goods	4,213	4,204	29.0	29.5	D
40.	Enka	Chemicals	4,100	4,200	—	—	W
	Thyssen Industrie (No. 8)		4,049	4,106	39.4	40.4	D
41.	Deutsche Babcock	Industrial plant	4,031	3,357	28.7	28.5	D
42.	BAT	Tobacco	3,995	4,012	3.9	3.8	O
43.	Brown, Boveri	Machinery/Electrical	3,968	3,784	27.2	26.0	D
	UK Wessling (No. 13)		3,748	2,594	—	—	I
	Haniel AG (No. 33)		3,666	3,392	—	—	D
	AGFA-Gevaert (No. 7)		3,616	3,434	32.0	32.3	D
44.	VEW	Energy	3,398	3,143	7.5	7.0	D
	Kraftwerk Union (No. 3)		3,200	5,500	17.6	18.1	O
	Scarbergwerke (No. 37)		3,189	2,289	22.8	21.5	I
45.	Preussag	Coal/Oil	3,179	2,684	16.8	17.3	D
	Brown, Boveri (No. 43)		3,128	3,038	—	—	I
46.	SEL	Electrical goods	3,117	2,797	33.0	33.1	D
47.	Di. Saint-Gobain-Gruppe	Chemicals	3,036	2,777	—	—	O
48.	Suedvish-Suedfleisch-Gruppe	Food	3,004	2,574	—	—	D
49.	Elf Mineraloil	Oil	2,952	2,029	—	—	D
50.	Werhahn-Gruppe	Holding company	2,900	2,641	—	—	O

W = consolidated World sales.  
D = consolidated Domestic sales.  
I = individual company sales (used of parent companies, like Bosch, which do not consolidate their subsidiaries' sales or subsidiaries which are separately incorporated, such as Audi of the VW group).  
O = Other sales - disclosure to Frankfurter Allgemeine Zeitung by the company, or based on other information or estimates.  
Companies listed in *italics* are included in a previously named company, the number of which is given in parentheses.  
— = Own estimates.  
- = Not a company in the legal sense.  
- = Not a subsidiary in the legal sense.  
- = Construction value (as distinguished from actual revenues booked).  
- = Only partially comparable to previous year's sales.

Source: Frankfurter Allgemeine Zeitung



Volkswagen headquarters at Wolfsburg

**Auto Industry Resists Recession**

By Andrew Hargrave

FRANKFURT — West German automobile manufacturers have shown greater resilience in the economic recession than most of their European or North American counterparts.

As Eberhard von Kuenheim, chief executive of BMW, recently pointed out with pride, two of the three European carmakers who managed to increase their output last year were West German (BMW, Daimler-Benz and Renault of France).

In a year of sharply reduced overall world production, West Germany remained the third-largest carmaker with a share of 12 percent (10 percent of all vehicles when trucks and buses are included). In exports, West Germany was second only to Japan and well ahead of its nearest rival, France.

Although the profits achieved by most West German volume car manufacturers declined last year from prosperous 1979, all — including the major U.S. subsidiaries Opel (General Motors) and Ford — have avoided the large losses suffered by PSA Peugeot-Citroen of France, British Leyland, Fiat of Italy and the U.S. parents of GM and Ford.

The Japanese advance in Europe did not, of course, spare the German market. The share of Japanese cars in total new registrations (down by 7.5 percent) doubled from 5.4 percent in 1979 to 10.4 percent last year.

In all, foreign cars captured more than a quarter of all new car sales.

In turn, West German exports, 53.5 percent of total domestic output (up from 50.8 percent in the previous year) represented a lower volume within a total output which dropped by about 410,000 cars to 3.52 million last year.

The composition of new registrations reflects both the effects of the recession and the advance of foreign cars. The number of smaller cars (under 1,500 cc) registered rose by

(Continued on Page 11S)

**Commercial Vehicles: A Healthy Sales Year**

By Charles Wilkins

BONN — West German producers of commercial vehicles can have few grounds for complaint these days. In fact they should have plenty to be pleased about when looking back on last year's healthy sales and production results.

Although the domestic market may not have lived fully up to hopes for it, at least the export market was booming. West German commercial vehicle exports in 1980 climbed 18 percent to a record 210,700 units. Demand was up, particularly in Western Europe, OPEC countries and some African states. Production also reached a record level, rising 13 percent to 337,600 vehicles.

New domestic commercial vehicle registrations advanced more modestly, increasing by three percent to 175,500. Home demand, which had been satisfactory, tapered off from the whole investment goods sector and especially in the building branch as the year drew on. New truck registrations rose only 1.2 percent last year, while for buses the total was up just 0.7 percent.

The leading West German producer, Daimler-Benz AG, had plenty of reason to be satisfied with its performance in 1980. Despite a two-percent drop in domestic volume sales of commercial vehicles, exports achieved a 20-percent gain. The company said it had used domestic production capacity to the full. Output from plants in West Germany climbed 7.6 percent to 203,041 units, made up chiefly of light transporters, medium- and heavy-sized vehicles and buses.

Good International Position

Further afield, Daimler-Benz's position last year in the international market, where it has around a 2.4-percent share, was successfully defended and even expanded in some cases, the company said. Group worldwide commercial vehicle production was raised 6.4 percent. Output was substantially lifted in the medium and heavy truck ranges. Daimler has pointed out that just under 70,000 units of its overall world output were produced by South American subsidiaries in Brazil and Argentina.

Daimler recently has been conducting "informative talks" with the U.S. truck producer White Motor. But the company said these were

Heavy Investment Paying Off

Truck output at MAN rose just over 13 percent to 20,180 units while bus production dropped seven percent to 2,845 units. The group hopes to push truck output up a further five percent this year. Heavy investment in modernization and expansion of production at its commercial vehicle plant in Munich have begun to pay off, and returns are expected to pick up strongly from late this year.

On the export side, more than half the group's vehicle production is sold outside the home market. Truck exports last year climbed around 36 percent to 8,500 and MAN is aiming for more than a 20-percent rise again this year.

MAN set up a subsidiary — the MAN Truck and Bus Manufacturing Corp. — in the United States last spring, and invested about 20 million marks in a building production plant at Cleveland, North Carolina. The U.S. facility will come into operation this summer with production for two large bus contracts for the cities of Chicago and Seattle. Elsewhere the group already holds a one-third stake in a truck and bus assembly plant at Istanbul, Tur-

(Continued on Page 10S)





# Nation's Automobile Industry Manages to Resist Recession

(Continued from Page 95)

... from the previous year while those over 1,500 cc fell by 16.3

... the former, the smaller, medium-size cars (1,200 to 1,499 cc) a 30-percent increase at the expense of categories immediately above. Fuel consumption and prices all played their part in this which, as seen below, affected the carmakers differently. The table shows clearly the overall effect on new registrations over the 10 years.

TABLE I — New Registrations of Cars in West Germany, 1978-1980

ESTIC MAKES	1978	1979	1980
	Mercedes-Benz	154,567	153,923
VW/Audi/NSU	221,443	242,848	249,249
Ford	369,530	309,318	250,630
Opel	514,478	470,482	402,015
Porsche	11,568	12,001	10,525
Other	807,782	827,208	736,109
<b>TOTAL</b>	<b>2,079,245</b>	<b>2,015,858</b>	<b>1,787,505</b>

Source: VDA (German Automobile Manufacturers' Association)

The next table showing car production by individual West German carmakers indicates the extent to which they were able to make up for the loss of new registrations in the domestic market by exports: BMW's overall increase in output despite lower sales in the home market is clearly a case in point.

TABLE II — Output by Individual Carmakers 1979-80

MANUFACTURER	1979	1980
BMW	328,281	330,087
Daimler-Benz	433,208	438,829
Ford	546,597	419,517
Opel	960,243	786,663
Porsche	36,011	28,622
VW/Audi/NSU	1,627,861	1,517,216
<b>TOTAL</b>	<b>3,932,556</b>	<b>3,520,934</b>

Source: VDA  
This is however, not the total production by West German manufacturers, who produced more than a million cars outside the Federal Republic. The lion's share is claimed by VW (in Brazil, the U.S. and elsewhere) and Ford (in Belgium). As shown below, overseas output last year — unlike domestic production — was maintained at the 1979 level.

TABLE III — Output of German Makes Abroad (With German Components)

MANUFACTURER	1979	1980
BMW	8,700	10,944
Daimler-Benz	2,508	4,667
Ford	283,372	199,516
Opel	45,163	41,105
VW/Audi/NSU	799,910	884,084
<b>TOTAL</b>	<b>1,141,653</b>	<b>1,142,316</b>

Source: VDA  
Despite the fall in domestic production and the generally sceptical business climate, West German automobile manufacturers still intend to invest in excess of 10 billion Deutsche marks this year. "This shows the determination of the industry to look to the future in spite of the current difficulties in sales," comments Horst Backsmann, president of VDA.

All West German motor manufacturers have announced substantial domestic investment programs in recent years. Daimler-Benz's DM10-billion program includes the "small Mercedes" still under wraps. Three-quarters of VW's annual DM4-billion to 4.5 billion program is being spent on domestic plants; BMW will invest DM2 billion in its Dingolfing factory rather than start an entirely new one on a greenfield site; Opel has assured its workers that GM's worldwide "World Car" plans will include the Rueselsheim operations near Frankfurt. Ford, too, will continue to invest heavily in West Germany.

Mr. Backsmann had a special word about Japanese competition, which he believes should be fought without recourse to interfering with the free market. He called on the Japanese to "spread their exports" (which at present are limited to a few industrial sectors, including the automobile industry) and not to "shatter the basis of free trade" by exporting unemployment.

Meanwhile, VW has adopted the "if you cannot beat them, join them" attitude by discussing with Nissan the possibility of producing one of its medium-size (Passat or Audi 80) models in the Japanese company's own works. This as well as BMW's new subsidiary are aimed at countering the apparent Japanese reluctance to "buy foreign." At the same time, Nissan is trying to soothe European nerves by setting up a plant in Britain and linking up with Alfa Romeo in Italy.

(There are attempts by other Japanese manufacturers, too, to gain footholds in Europe. These include Honda's deal with British Leyland to produce a medium-size car and Toyota's interest in SEAT of Spain. Moreover, in the next few years, one may see the results of the cooperative ventures between Japanese manufacturers and the US giants GM and Ford hitting the European market.)

West German automobile makers place great emphasis on their ability to beat the energy crisis by progressively lowering the fuel consumption of vehicles of all capacities and sizes. Daimler-Benz, proud of the success of increasing its domestic registrations last year — the only West German manufacturer to do so — powers almost half its new cars by energy-saving diesel engines.

An increasing proportion of BMW and VW cars also run on diesel: the diesel-engined Rabbit manufactured in the U.S. has proved to be exceedingly popular in a country which until recently paid scant attention to fuel economy.

Energy saving has entered every area of West German car production, from electronic drive and ignition controls to the elimination of "drags," the switching off of cylinders while idling and the move from gasoline to diesel. Nationwide trials to test an alcohol-gasoline mixture are being backed by all West German automobile manufacturers. VW's experience in Brazil, where nearly one-third of its output of almost 500,000 cars is



One of the test vehicles participating in a methanol-mixture experiment. The automobiles undergo nationwide trials.

powered by an alcohol-gasoline mixture, is of course a valuable basis for its own West German experiment.

What the manufacturers are keen on emphasizing is the role the authorities could play in further energy savings. Mr. Backsmann is not alone in underlining the need for limiting traffic jams on highways and for building more bypasses. "In this way, we can save considerable amounts of motor fuel, apart from reducing noise and exhaust emission and improving safety," he says.

### Setbacks Are Possible

Overall, the West German carmakers are not optimistic about a revival of business this year. BMW's Von Kuenheim predicts difficulties in export markets and possible setbacks for European and U.S. manufacturers in their own domestic markets. Last year's figures show that apart from the Japanese, the only areas recording a growth in output were Latin America and Spain.

The manufacturers remain hopeful nevertheless about long-term prospects and cite a recent forecast by Shell that the domestic car population, at present 23.2 million units, would grow by 13 to 22 percent to between 26 and 28 million units by the year 2000. (The multinational oil concern also predicts a rise in motor fuel consumption, although by only half that rate, and only a minor share for alternative fuels such as alcohol or liquid gas. On the other hand, the authors of the report omit to take into account the effect of rising prices of fuel on the size of the car population on the grounds that its impact has so far been negligible.)

The question of whether 1982 will bring forth the long-awaited revival seems to depend very much on factors outside the motor industry, the manufacturers say. The most important factor is a resumption of healthy economic growth throughout the world.

# Capital Investment Markets: Period of Change Has Begun

(Continued from Page 95)

... nained slack when they held hold back they did.

... situation was worsened by is in the U.S. and U.K. to inflation. As U.S. primes 20 percent and the minimum rate in the U.K. hit cent, foreign investors sensitive to the German mark, despite moves by the Bundesbank to improve the capital account of the current account by discount and lombard borrowing rates to record highs of 7.5 percent respectively, investment not return to the German

... determined the trend. In last year, long-term capital interest rates had already through the psychological of 10 percent, foreign lender not buying and the whole had soured. In July, prices market took a turn for the and yields fell, since it certain the Bundesbank be forced to make some to stimulate the weakening and reduce interest rates. By August, interest rates in S. were again on the upturn. se Bundesbank could only a and hope investors would ore account of the compar- lone German inflation rate ck with the German market. was not the case, and the on of the 1960s was re-

... Far from attempting to the inflow of capital into ny, the Bundesbank was to seek ways to encourage funds back to this country, ast to slow their outflow.

### Trade Embargo Effect

... shortfall in the current ad- had to be financed, and the bank was reluctant to e this by draining the com- foreign currency reserves, mital though they may be. At d of last year the Bundes- concluded a "gentleman's gent" with commercial and virtually placed an em- on the extension of the- mark credits to other ies.

... at the same time the bond t continued to weaken and rose back above nine per- at which level none but the quality borrower was pre- to come to the market. Fur- ore, any Deutsche-mark En- ds which were launched dur- is period were placed almost ively at home, with the result hey, too, represented capital is as they were financed with sic funds.

... ed the Bundesbank to tight- n on commercial banks' as, and the gentlemen's agree- was extended to Deutsche- Eurobonds, with a virtual a issuing until the end of 1981.

... s move was compounded by ecision in November to re- the limitation on foreign- igs of German bonds to pat- h a minimum outstanding ty of only one year. The re- on was removed entirely in ary.

### Some Bonds Slipped Through

... se, some supranational bonds ip through the net of the em- but as one German bond put it. "When someone like european coal and steel com- y wants to raise money, it's difficult to turn down the re-

... e advent of Ronald Reagan to U.S. presidency worsened the ion for all forms of mark-de-

... nominated investment. The mark phinged to three-year lows against the dollar, falling in the space of four frantic weeks from 1.95 to the dollar to 2.25, and sentiment for the German capital market declin- ed in rhythm.

... The Bundesbank moved to stop this trend, at first intervening on a massive scale on the foreign exchange markets and, when this was unsuccessful, driving up interest rates to almost record-breaking levels.

... In the wake of the Bundesbank measures to push interest rates higher, 10-year yields on the domestic bond market rose to 10.25 percent, but it was unclear at what point the new level would be sufficiently attractive to bring foreign investors back to the German market.

### A Move in the Right Direction

... West German investment analysts remain skeptical. They say that foreign investors are unlikely to overestimate Ronald Reagan's economic policies, but while these are regarded as somewhat overambitious, they are generally seen as a strong move in the right direction.

... Chancellor Helmut Schmidt is losing some of the glamor he had when he took over from Willy Brandt in the mid-Seventies. The nickname "maucher" ("fixer") is looking a little thin against the problems he is experiencing within his Social Democratic Party. Foreign observers are worried about whether he can bring the party into line quickly enough to effect the changes, especially in the field of domestic nuclear energy production, necessary to adapt Germany to the requirements of an ever-increasing oil bill.

... It is factors such as these, the analysts say, which are most in the minds of potential investors, not the fact that the interest rate differential between Germany and the U.S. is being successfully erod- ed.

... Analysts here do not figure on

... any short-term revival of invest- ment interest, and certainly not within the first six months of this year. But if the German economy shows some slight improve- ment toward the end of 1981 — and there are in fact signs the government is making earnest efforts to reduce the current account deficit — capital may start to return as surplus countries seek to diversify away from the pound, the dollar and the yen. Most experts are unwilling to predict just how high German interest rates will rise, but some have suggested a peak of between 10.5 and 11 percent.

... Determining Factors  
There are two other factors, apart from foreign confidence in Germany, that will determine the extent of the rise in German interest rates.

... The first of these is just how high the Bundesbank will push rates in the Inter-Bank money market in order to stop the rise of the dollar. This factor is all the more unfavorable since the Bundesbank has dispensed with the traditional lombard borrowing facility and replaced it with an option to raise credit by the deposit of high quality collateral at the central bank against an interest rate which the Bundesbank is at liberty to change daily. Until the strategy of the Bundesbank becomes clear in this matter, it is impossible to guess just how high the interest rates may go.

... The other factor is the extent of the 1981 borrowing requirement of the federal government and other public authorities. Last year's total public authority deficit amounted to 58 billion marks, and a recent economic review by Commerzbank predicted a deficit in 1981 of between 65 billion and 70 billion marks.

... The government will have to offer attractive yields on paper if it wants to finance this deficit and this should make for another year of fluctuating interest rates on the German market.

# Banking: Doubts On New Networks

(Continued from Page 95)

... ations, acknowledged it may have gotten in the market too late. But staying in Luxembourg is still mandatory, even if the business did not turn out to be a source of manifold profits.

... L.B. Rheinland-Pfalz is only a medium-sized bank. "We do not have the ambition to become a major international bank," Mr. Simon said. "But we do need access to the Euromarkets."

... The bank faced the question of London or Luxembourg and settled on the latter because it borders the German state of Rheinland-Pfalz. The margins may be narrow, but Luxembourg is still the cheapest place to be.

... Although the big commercial banks still need to be everywhere, the heady days of expansion are over.

... At Deutsche Bank AG, only small additions to the network are under consideration. Wilfried Guth, joint spokesman of the management board, said expansion plans see a few additional branch- plans in the United States as changes in the banking laws allow. At present, the bank has only one branch in New York and a stake in Euro- pean American Bank.

... set up a branch in Canada once the enabling legislation is put into force.

... But on the question of joining any "international banking facility" the bank is more reserved. European American plans to take part but Deutsche Bank itself will wait and see. "We will have to study it first. One day I imagine we would want to be there," said Mr. Guth.

... Like Deutsche, Commerzbank sees any such free-trade zone for banking in New York as a complement to London and Luxembourg rather than competition. "I don't think we would change anything in New York," Commerzbank management board member Engelbert Dicken said.

... Not do the banks envisage moves any time soon to build up their presence in the Middle East. Bahrain's growing role as a banking center requires some form of representation but neither Deutsche nor Commerzbank is planning to set up a full branch or subsidiary.

... "The Middle East is a place that requires real personal contact, and that costs management capacity," Mr. Guth said. High-level personnel are often more easily sent from the Frankfurt head office.

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# 1980 Proved a Disappointing Year for the West German Stock Market

FRANKFURT — For investors on the West German stock markets, 1980 was a disappointing year. While several other international equity markets were achieving record highs, West Germany lagged sadly behind and ended the year marginally below its 1979 level.

For foreign investors the year was all the more disappointing because of the steep decline in the value of the Deutsche mark against the dollar, the pound and several currencies in the European

**'For foreign investors the year was all the more disappointing because of the steep decline in the value of the Deutsche mark against the dollar, the pound and several currencies in the European Monetary System, which subjected investments to foreign-exchange losses.'**

Monetary System, which subjected investments to foreign-exchange losses.

At the beginning of this year the Commerzbank index of 60 leading shares dipped to its lowest level in four years. It declined in tone with other forms of DM-denominated investment, and especially the Deutsche mark itself.

Sentiment was growing to support of the United States, and a "Reagan euphoria" reigned after the presidential inauguration Jan. 20.

### Relative Stability

Since then, however, the stock market has remained relatively stable, despite surging interest rates in Germany and an almost total collapse of the domestic boom market.

Analysts here are divided in their opinions of what this year holds for share prices, but most are surprisingly optimistic. They maintain that as long as the current period of high interest rates does not last too long, a certain amount of resilience can return to this weakened market.

It was high interest rates last year that were partially responsible for the market's sluggish performance, the analysts say. They point out that shares tended to follow the fortunes of the bond market.

In 1980, the Bundesbank, West Germany's central bank, started to pursue a policy of record high interest rates to attract capital to Germany and finance the country's large current-account deficit.

### Record Lending Rates

In late April last year the Bundesbank pushed up its principal lending rates to record highs, but in the period between late spring and summer the market improved as operators believed the Bundesbank would be forced to take account of the weakening economy and relieve some of the squeeze on liquidity.

But by August it was clear the Bundesbank's hands were tied. Despite protestations that it would gladly lower rates if possible, the specter of soaring prime rates in the United States made the exodus of funds from Germany all the more tangible; the Bundesbank stuck to its guns and the share market began to fall.

High interest rates were particularly daunting for the investment-oriented industrial sectors. At a time of international recession, demand — both domestic and from abroad — was falling, stockpiles were rising and the cost of financ-

RANK IN 1980	1979		1980	
	DM BILLIONS IN %		DM BILLIONS IN %	
1. Netherlands (11)	35,841	12.3	39,130	11.5
2. France (2)	33,195	11.4	36,591	10.7
3. Italy (3)	25,804	8.8	27,084	7.9
4. United States (5)	20,274	6.9	25,698	7.5
5. Belgium-Luxembourg (4)	23,402	8.0	24,469	7.2
6. Britain (6)	17,216	5.9	22,867	6.7
7. Switzerland (7)	10,637	3.6	12,138	3.6
8. Japan (9)	7,912	2.7	10,434	3.1
9. Saudi Arabia (16)	4,300	1.5	9,907	2.9
10. Austria (8)	8,404	2.9	9,826	2.9
11. Libya (12)	5,541	1.9	7,866	2.3
12. Norway (13)	5,332	1.8	7,737	2.3
13. Soviet Union (10)	7,381	2.5	7,411	2.2
14. Sweden (11)	6,153	2.1	7,224	2.1
15. Denmark (14)	4,461	1.6	5,739	1.7
16. Nigeria (15)	4,354	1.5	5,510	1.6
17. Spain (18)	3,840	1.3	4,412	1.3
18. Algeria	3,071	1.1	4,148	1.2
19. Canada (20)	3,104	1.1	3,610	1.1
20. Iran (17)	4,225	1.4	3,382	1.0
<b>TOTALS</b>	<b>234,447</b>	<b>80.3</b>	<b>275,183</b>	<b>80.7</b>

Figures in parentheses show rank in 1979.  
Source: Frankfurter Allgemeine Zeitung

RANK IN 1980	1979		1980	
	DM BILLIONS IN %		DM BILLIONS IN %	
1. France (1)	39,992	12.7	46,615	13.9
2. Netherlands (2)	31,298	10.0	33,275	9.9
3. Italy (4)	24,534	7.8	29,935	8.8
4. Belgium-Lux. (3)	26,754	8.5	27,483	7.7
5. Britain (5)	21,034	6.7	22,917	6.6
6. United States (6)	20,759	6.6	21,476	6.4
7. Switzerland (8)	16,598	5.2	20,008	5.9
8. Austria (7)	16,461	5.2	19,258	5.5
9. Sweden (9)	9,119	2.9	10,127	2.9
10. Soviet Union (11)	6,624	2.1	7,943	2.2
11. Denmark (10)	6,837	2.2	6,668	1.9
12. Yugoslavia (12)	5,798	1.8	5,193	1.5
13. Spain (13)	4,458	1.4	5,049	1.4
14. South Africa (18)	3,137	1.0	4,595	1.3
15. Saudi Arabia (14)	4,410	1.4	4,277	1.2
16. Norway (17)	3,305	1.1	4,017	1.1
17. Japan (15)	4,151	1.3	3,971	1.1
18. Greece (16)	3,765	1.2	3,774	1.1
19. Nigeria (1)	2,081	0.7	3,321	0.9
20. Finland (1)	2,514	0.8	3,309	0.9
<b>TOTALS</b>	<b>253,429</b>	<b>80.6</b>	<b>283,231</b>	<b>80.7</b>

Figures in parentheses show rank in 1979.  
Source: Frankfurter Allgemeine Zeitung

ing large inventories increased. The weakness of the mark benefited West German exports at a time when this was particularly crucial because of the incursion onto European markets of Japanese goods. But the benefits were largely offset by the immediacy of the higher price that had to be paid for raw materials, with which Germany is not richly endowed.

### Lowered Dividends

As the year wore on it became evident that many German companies would have to report lower profits and cut dividend payments.

The problem of high interest rates was highlighted by some of the major banks which had, according to many analysts, misjudged how long the Bundesbank would maintain its restrictive policies.

This was particularly true for Commerzbank, Germany's third largest bank, which suffered from moves made in the late '70s to increase its competitiveness and widen the scope of credits it granted. The end result was that its profits were squeezed under the pressure of a portfolio crammed with long-term and, by prevailing standards, very cheap credits. Late last year there was already speculation the bank would not be able to pay a dividend for 1980 business, and the share price plummeted.

Dresdner Bank hardly fared better, and it too has now announced it will cut its dividend payout from nine to six marks.

### Chemical Firms Suffer

Major chemical companies suffered last year from a lack of international demand, although for BASF AG, the worst performer of

Germany's "Big Three" chemical concerns, a decline in oil prices last summer also hit earnings. BASF is heavily involved in oil refining, so the fall in spot prices and general uncertainty about the direction of crude prices struck the company particularly hard.

It is the only company in the sector likely to announce a dividend cut, probably from eight to seven DM, bringing it in line with the other two large chemical firms, Bayer AG and Hoechst AG.

### Steel and Auto Badly Hit

The engineering sector had a comparatively good year, but only analysts say, because of the traditional time lag in this sphere between incoming orders and production. Orders were declining toward the end of the year, and while the industry enjoyed a production rise of 5 percent in 1980, industry sources suggest an output decline of as much as 4 percent in 1981.

The outcome of the spring wage round is particularly important for

developments in this sector, and signs of a serious conflict between employees and management emerged during the negotiations. In line with other countries, the German steel and auto sectors were badly hit last year. The steel industry was dogged by falling demand, ruinously competitive price struggles and EEC crisis measures to reduce production quotas.

The car market was stuning itself to higher oil prices. The demand for smaller cars grew, leaving middle- to large-range vehicles standing in factory yards, and resulting in the introduction of short-time work in many sectors of the industry.

However, average share prices in the sector managed a slight rise over the year, aided by foreign confidence in the traditional stability and diversification of German automakers. Against the backdrop of declining private car demand, commercial goods vehicle production managed to maintain its healthy share of the market.

It was therefore against a

gloomy background that the stock market began in 1981. Although official balance sheets for the whole of last year have still to be presented, enough statistics have been made known to ensure a dampened atmosphere when the company reporting season comes later this spring.

However, it is precisely this point that leads German investment analysts to believe the worst for the market may be past. Lower dividends and falling profits were news as soon as the first whispers of speculation began to be heard on the floors of the various stock markets, but the selling is to a large extent over, they say.

Significantly, Commerzbank's shares fell steadily during 1980, but when the bank officially announced the dividend pass, the share price hardly moved. The market has already taken 1980 into account and is looking to the future.

Analysts do not expect any spectacular upsurge in market prices, but note there is already cautious

buying interest at these levels. Clearly, problems that last year have not disappeared, Germany will still report a substantial current-account deficit in 1981, and the Bundesbank is obliged to maintain its high interest-rate policy well into the year.

But there are signs from the Atlantic that interest rates are slowly declining, will at least give the Bundesbank little more maneuverability in setting its own credit policies.

As one investment analyst says, "The time is now technically for a certain amount of buying. The market is still off the slightest demand will prices very quickly. This will be a factor that could spiral."

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For the first time you will be able to control everything you do. You will find it hard to buy another camera that offers you so much, so simply.

The R4 comes with the famous LEICA-R-lens system, of course. And although "a camera that does everything the easy way" might seem to be a rather bold statement for (a customarily reserved company like) Leitz to be making, we believe it is true.



If you want to compare the new LEICA R4 with other cameras, then your local dealer will be happy to give you further information. Alternatively, write to the Leitz Information Service P.O. Box 2020, D-6330 Weizlar.

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50 من الال



# Berlin: A City Of Opportunity

West Berlin is a city that few people understand. It is a scientific center, a flash-point for East-West relations, its GNP DM 50 billion, while its fiscal size is equal to that of Francisco, Boston and New York combined.

Over two years ago the city decided that the time had come to publicize this industry. They established a Economic Development and Investment Office in a former office of the Ford Motor Co. Robert Layton, the director, has been instrumental in bringing a number of incentives that have resulted in value-added investment to some 10 per cent.



Robert Layton

within East Germany. But he emphasizes that it is an island with numerous causeways. There hasn't been a single holdup on traffic or the movement of merchandise since the so-called four-power agreement (between the U.S., Britain, France and the Soviet Union) was adopted ten years ago. The agreement provides that on certain routes merchandise and people can move without control or inspection. There is also an impressive new autobahn to be opened between Berlin and Hamburg next year.

### Moving to Berlin

In an interview in his Berlin office, the 57-year-old Mr. Layton is also commissioner for economic development of the city. He said that a number of U.S. firms are contemplating a move to Berlin, but do not go into details because negotiations had reached an impasse. He said that about 50,000 residents of the city are working for U.S.-affiliated firms such as IBM, ITT, General Electric, and Philips while in 1980 Ford alone set up a \$76 million component plant in Berlin employing 700 jobs. He also mentioned the VAT rebate, development corporation's incentives include as much as 30 percent financing at 4 to 6 percent interest, 30 percent personal income tax rates, and a 75 percent write-off of depreciable capital assets in the first year, or at least within the first five years.

Although the city would not be suitable for an automobile assembly plant, its 8,000 acres of industrially suitable land could readily handle medium-sized industries, electronics, pharmaceuticals, light metals, and research and development institutes. According to Mr. Layton, the development corporation plans to add about 2,000 jobs to the industrial work force of 180,000 within the next six years by settlements of new industries.

The newcomers will benefit not only from Berlin's six daily newspapers and six TV stations, but also from the city's ultra-modern new convention center. Some 40 important trade fairs are held annually, including the International Radio and Television Exhibition, the "Partners for Progress" import fair for products from Third World countries, and the "Tourism Exchange," an international conference and exhibit for the travel and resort industry.

Thirty specialist accountants and business analysts are on the staff of the development corporation, with the sole task of showing interested business how such conventions and other Berlin facilities can influence their cash-flow and marketing opportunities. These studies are strictly confidential, and provided free of charge.

# Commerzbank Moves Quickly to Overcome Troubles

FRANKFURT — Commerzbank AG has set an unenviable record: It is the first major commercial bank in West Germany to announce it is passing a dividend. For some months the signs were clear that West Germany's third-largest privately owned bank would not be able to maintain the DM 6.50 it paid on 1979 trading.

But the announcement in January that trading figures left no room for any pay-out came as a blow to the entire banking sector. Commerzbank's shares crashed from a high of DM 167 (per DM 50 nominal) last year to a low of 127.20, and stand now around 130.

Ironically, with divestment of banks' interests in industry a major topic of conversation in West German financial circles, Commerzbank has been forced into the market to sell its interests in Kaufhof AG, one of Germany's leading department stores, to raise much needed cash.

But Commerzbank, which also lays claim to being the world's 15th-largest private bank, is not letting the grass grow under its feet. With chairman of the board Robert Dhom laid low by ill health at the time he is most needed, the bank's directors drafted Paul Lichtenberg from the supervisory

board until a successor for Dhom could be found.

That successor will be Walter Seipp, deputy managing board chairman of Westdeutsche Landesbank Girozentrale.

### Shift in Command

It is too soon to say what changes Seipp will make, since he will not assume his duties until early April. Initially he will be a member of the board and will take over from Lichtenberg on May 7, the day after Commerzbank's shareholders meeting, assuming the title of chairman of the managing board. On the same day Lichtenberg will return to the

chairmanship of the supervisory board.

Seipp, 55, a banker for 30 years, spent 23 years — 1951 to 1974 — at Deutsche Bank before moving to Düsseldorf and West LB. He should not have to look too hard to find out what went wrong at Commerzbank.

Observers of the West German banking scene are pretty well agreed about the mistakes the bank made. For all German banks an era of breathtaking expansion has come to an end. For the economy as a whole this is a watershed after the years of the "Economic Miracle." Commerzbank was

slower to adapt than many of its competitors.

The record of its growth is impressive. Observers feel Seipp will call a halt to Commerzbank's expansion for the time being, and try to bring about a period of consolidation, restoring trust in the bank.

At a press conference in January, Lichtenberg said he hoped the bank would be able to pay a dividend to its shareholders on 1981 trading. He pointed out that the bank would use income from its recent sale of shareholdings to build up its reserves, and shareholders would therefore be empty-handed.

Lichtenberg attempted to throw a ray of light on the bank's prospects by stating that business had picked up in the last two months of 1980, when the surplus on interest earnings ran at more than DM 90 million a month compared with an average of only DM 77 million in the first ten months of the year, although margins remain narrow.

This in conjunction with the earnings on commission would be enough to enable the bank to cover current costs, Lichtenberg said, and would give it a better starting point for 1981, but there will be

virtually no expansion of the balance sheet this year.

Lichtenberg, who had been at the bank's helm for about 20 years when he joined the supervisory board four years ago, said the bank's difficulties had arisen from its heavy involvement in fixed-interest-rate credits to the public and private sectors in recent years.

It has been a classic case of lending long and borrowing short. Commerzbank was not alone last year in thinking interest rates would decline. For some time in the summer, when U.S. rates eased, the prospects looked good. But the renewed upturn in autumn was the last straw.

Commerzbank had to take excessive recourse to the West German money markets, where costs were (and still are) extremely high, borne aloft on record discount and lombard rates. For many months West Germany has had an inverse yield curve on its capital markets, so the short-term funds Commerzbank required proved very expensive, as Lichtenberg pointed out.

The bank will attempt to attract savings deposits to make itself less (Continued on Page 155)

# Kaske of Siemens: Unruffled Captain on a Stormy Sea

MUNICH — The appointment of Karlheinz Kaske to succeed Bernhard Pletner as head of the Siemens management board surprised some observers. He had been a member of the board for only six years and head of a division — energy systems — for only four.

But when Mr. Kaske rose to deputy chairman last year to understand Mr. Pletner, the message began to sink in. The world's fifth-largest electrical and electronics group (in terms of sales) would be led by this Essen-born physicist who made his name primarily in the areas of energy and systems automation — a complete turnaround from his salesman predecessor.

There are other points of difference, too, between the large, soft-spoken Kaske and the spare, emphatic, outspoken Pletner. The new Siemens chief is a comfortable man who describes and defines complex matters in simple terms — an ability not to be underestimated considering that well over half of Siemens' income and nearly a third of its labor force comes from outside West Germany.

### Overlapping Divisions

His ability to simplify is equally important when one considers that the group's vast range of products is handled by six divisions which often overlap. At the same time, technological changes in existing products can place the same product under the aegis of two or more divisions. For example, does an automatic engine and ignition-control system in a motor vehicle come under the heading of Energy, Automation or Communications?

The need to closely define technologies has become essential, which may be one reason for Mr.

Kaske's new assignment. Another is his longtime concern with energy — its generation, distribution, conservation, saving, and efficiency.

Siemens's most recent annual report, published in February, records a 14-percent rise in turnover and a 19-percent increase in orders, but shows a 7-percent decline in after-tax profits. The return on sales was under two percent in the year ended September 30, 1980, and the signs for improvements in profitability are not encouraging. Mr. Kaske seems to acknowledge that growth by itself may not be profitable.

The report also complains about the threatening shortage of engineers and other technically qualified personnel which comprises 14 percent of the group's 344,000 employees.

Here Mr. Kaske is far more optimistic than the report implies. "The largest and least flexible capital investment for any enterprise is in manpower," he says with some feeling.

Mr. Kaske seems unworried about finding and developing a new generation of engineers, physicists and technicians. He acknowledges that young people no longer dream of being great inventors or innovators, but believes there is still a great reservoir of "technologically motivated" people. "The ones we're after are those who do not worry about temporary economic trends. There are still a few thousand of these young people around; finding them should give us no major problems."

Although Siemens stands far ahead of its domestic rivals overall, it faces vigorous competition in several product areas and in the in-

ternational markets, IBM's continuing supremacy in computers and data-processing in the international as well as the West German domestic market is a good example and so is the fierce competition in the new telephone switching systems.

Another potential area for competition is heat pumps, only 25,000 of which are installed at present

but whose use is expected to increase ten times over in the next four years and perhaps 100-fold by the end of the century.

Mr. Kaske predicts a very big future for this energy- and oil-saving device in the home and office, particularly as prices fall with volume production and light fuel oil (Continued on Page 155)



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If we speak of machines in the textile industry and installations in the field of air and heating engineering, there is no getting around mentioning H. Krantz GmbH (private limited company) & Co. of Aachen. With all it has achieved, Krantz ranks among the leading suppliers in these sectors. Its success, which is also reflected in high export figures, is based on technology matured through constant research and development, a well-balanced programme and exacting project management.

The enterprise H. Krantz GmbH & Co. was

founded in 1882 by Hermann Krantz, engineer, and was at that time engaged in Aachen, the stronghold in the field of textiles, solely in the construction of textile machinery: machines and plants used in textile processing, e.g. for dyeing, bleaching, drying and finishing, etc.

Above all, the Krantz tenter, a piece of equipment used in heat treatment on materials, became well-known. With these products, which Krantz has earned a reputation worldwide, the firm ranks today among the world's leading suppliers in this field. Krantz

America Inc. in Charlotte, U.S.A., the subsidiary company, makes an important contribution.

### Air and heating engineering

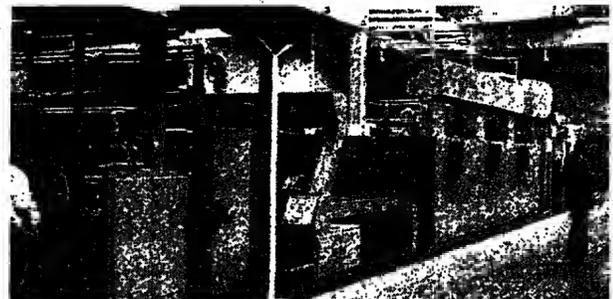
H. Krantz had already realised at an early stage that his work could not depend solely on the textile industry. This led to the heating engineering branch only a decade after the foundation of the firm. The experience and knowledge which had been acquired made it possible to adapt Krantz systems to industrial demands in an optimal way.

Thus, Krantz's high-temperature water heating was introduced as early on as the 1920's. Today Krantz is considered one of the major suppliers of heating engineering plants in the high and low pressure field.

### Systematic expansion

The heating programme was extended a few years later with the introduction of air humidifying and conditioning plants.

The range of products offered by Krantz, therefore, confined initially to the textile industry, soon extended noticeably to other industrial branches: thus, for example, the chemical fibres industry and the chemical industry generally, the food and luxury food sector as well as the paper manufacturing and electronic industries. The expansion into the so-called comfort sector (administrative buildings, theatres, hospitals, etc.) brought about a systematic extension of the scope of services offered by the Aachen firm.



Krantz started out with textile machinery. A highly modern tenter, which is suitable for drying, fixing and other forms of heat treatment on cloths.

### Pioneer work

Krantz also undertook similar pioneer work, however, to provide for safety in several fields of nuclear technology and for economy in air-conditioning systems by introducing the principle of air distribution "from bottom to top."

Even though the plants have reached a highly technical standard in the meantime, Krantz is still constantly pursuing the development of new techniques and the improvement of existing systems. Maintaining close contact with users, competitive products which will meet future requirements are being sought. In the industry our R&D enjoys an excellent reputation.

### Optimal solutions

Summing up, we can say: Krantz offers an extensive and well-balanced range of products, technical experience, constant research and development as well as modern management, and in this way guarantees the optimal answer to its customers' problems.

For the future the Krantz Group is aiming at a further extension of its range of products. Accelerated development of new textile machinery technology will get top priority. Mechanical contracting services will be extended beyond the traditional heating ventilation and air-conditioning installations.

Well over 50,000 machines and 10,000 plants around the world bear the name KRANTZ and are operating accurately and reliably. In the 1970's alone the Aachen firm supplied some DM 1.5 billion worth of plants.



The air in this lecture hall is distributed through the back-rests so that a pleasant climate is created in the listeners' zone.



H. Krantz GmbH (private limited company) & Co., Textile Machinery P.O. Box 830, 5100 Aachen, West Germany, Tel. 0241/441-1

Associated company: Krantz America, Inc. Charlotte, N.C. USA

H. Krantz GmbH (private limited company) & Co., HVAC Mechanical Contractors P.O. Box 2040, 5100 Aachen, West Germany Tel. 0241/434-1

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As a group, these banks have total assets of some US \$ 400 billion and 36,000 offices.

Total assets of more than 94 billion Dutch guilders (approx. US \$ 47 billion) place Rabobank among the 25 largest

banks in the world. Sound reasons to consult the bank that placed 3100 dots on the map of the Netherlands.

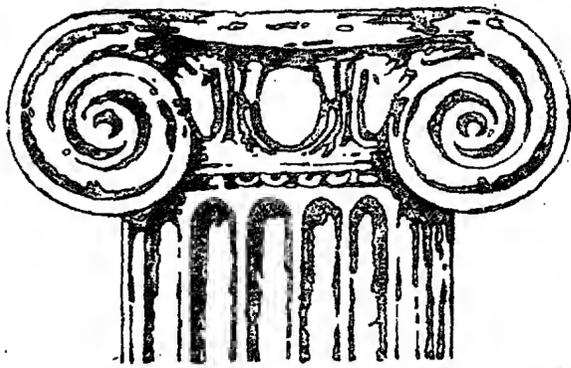


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# ASSETS: \$ 13.5 BILLION\*



## A Pillar of the Greek Economy

The National Bank of Greece is the largest banking institution in the Southern Mediterranean. It ranks among the fifty biggest Banks in the EEC. It controls a group of 25 companies - in banking, insurance, industry and tourism - which are among the largest and most profitable in the land.

The National Bank itself has 370 branches in Greece and 27 branches and offices abroad. It also controls 4 banking institutions abroad (with 15 branches) and 5 banking institutions at home. In 1979, deposits reached \$ 10 billions and almost 60% of banking transactions in Greece were conducted by the National Bank of Greece.

Doing business in Greece means doing business with the National Bank of Greece.

\* 1979 - consolidated figures



### NATIONAL BANK OF GREECE

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## More Than the Nation's Trade Union Ba

By Barry Dale

FRANKFURT — Bank für Gemeinwirtschaft AG (BIG) is known as West Germany's trade union bank, but this should not detract from the fact that it is a big, independent universal finance house offering a full range of banking facilities under one roof. The roof is in fact 36 stories above Frankfurt's Theaterplatz, overlooking the compact financial heart of Frankfurt with a splendid view of the River Main, the sprawling city and the Taunus hills in the background. It was the tallest bank skyscraper until Dresdner Bank inched a little higher last year.

BIG's interests spread far beyond Frankfurt and West Germany, with offices in Europe, America and the Far East and plans for further foreign expansion. Board member Ralph Krueger talked about foreign interests and aspirations in his office on the 34th floor. BIG boasts not one but two major interests in Germany's favorite offshore banking haven, Luxembourg. Apart from BIG Luxembourg SA it has a controlling interest in Banque de l'Union des Cooperateurs Luxembourgeois SA. Mr. Krueger said UCL was originally the bank of two Luxembourg trade unions which now hold 12.5 percent of the equity, with BIG having acquired 87.5 percent. But UCL, with its eight branches and staff of 80 in the Grand Duchy, concentrates mostly on local business and retail banking.

#### Capital Raise Is Foreseen

International business and Euro-market operations are the specialty of BIG Lux, founded in 1973. The bank has a basic capital of 124 million Deutsche marks and total capitalization of nearly DM200 million. A capital raise of DM100 is planned.

BIG Lux has a staff of 40, and its balance sheet total is approximately DM8.5 billion. Mr. Krueger said the Luxembourg subsidiary is expanding, and the capital increase is a provision for this growth, but he stressed this expansion will not be as rapid as in the past.

Like many other bankers in Frankfurt and Luxembourg, Mr. Krueger believes the consortium credit side must be reined in, and future moves will have to be more cautious. "The debtor structure has changed, and many Third World countries have reached the

limits of reasonable debt risk," he said. In addition, Mr. Krueger believes the tighter margins squeezing Eurocredit markets, with the abundance of liquidity sloshing about. He said he cannot see much improvement in margins in the near future.

But Mr. Krueger is quick to assert that Luxembourg has a future as a convenient offshore center for German banks, adding that remarks by Commerzbank AG seemingly implying that the Grand Duchy's heyday may be over could have been misinterpreted and exaggerated.

#### First Steps in Consolidation

Furthermore, Bank für Gemeinwirtschaft can afford to turn the other cheek when the controversy arises over consolidation of West German bank accounts to include Luxembourg subsidiaries. It has been consolidating BIG Lux since the 1978 financial year, and Mr. Krueger believes it is the first bank to have taken this step. UCL is included in its consolidated accounts, as is Internationale Genossenschaftsbank AG, Basle, Switzerland, in which BIG took a controlling share in February, 1979.

BIG was quick to realize the importance of having offices in important foreign centers, Mr. Krueger says. It moved into Luxembourg before the main rush of German banks to grab a slice of the Euro-union, and was well established in London relatively early. The London branch opened in early 1973, concentrating on the Euro-market, business with German clients in Britain and local transactions in sterling in conjunction with British industry and government agencies.

BIG has a deposit-taking company in Hong Kong, and is hoping to convert this operation into a full branch office as soon as local authorities give the green light. The Far East is an area that can be developed, and gaining a foothold in Singapore is among top-priority projects for the next three years, Mr. Krueger said.

BIG has a 50-percent holding in Israel's Continental Bank along with Bank Hapoalim, and also holds a half-share in Amsterdam-based Koopmansbank, which is similar to UCL in that it concentrates on local retail business, but which does conduct some international trading.

Other foreign interests include a holding in a Paris-based mortgage bank, a "friendly cooperation" agreement with BIG's counterpart BAWAG in Vienna, and a representative office in Sao Paulo, Brazil, where BIG has been established for a relatively long time.

#### 'Friendly Cooperation'

But Mr. Krueger's eyes are turned with the greatest enthusiasm in the direction of Spain, which he regards not only as an interesting and bustling domestic market but also as a logical stepping stone from Germany to South America and North Africa. BIG not only maintains strong links with leading Spanish banks, but was head manager of a credit to the City of Madrid last year.

In New York, BIG's branch office is concerned predominantly with deals involving German customers and German companies, but BIG has managed to forge close links with major U.S. companies. It is currently looking more to medium-sized American industrial concerns, with a growing in-

terest in corporate finance increasing involvement in cumulative credits.

Mr. Krueger said that as shops in centers such as Paris and Rome has been interest to BIG, since this banking business can be carried equally well from bases Germany and credit on such countries are often done. London, however, is a center, and BIG is very with developments there past eight years, among being listed as a Fully Res Bank with a broad range of ties including sterling busi-

Mr. Krueger said BIG's vision abroad has not on it been conducted through a ment of completely new units. Instead it has em- the need to cover traditional financial centers such as London, Luxembourg and New York.

All in all, foreign busi large and essential part existence, accounting for 1 percent of the bank's over less volume and earnings.

## Berlin Mayor Takes Chair As Election Pace Steps

BERLIN — In a move that has been hailed by observers here, Mayor Hans-Jochen Vogel has brought some order back into this city's political stage.

Mr. Vogel, a former West German Minister of Justice and Mayor of Munich, came to Berlin to try and salvage the Social Democratic-Free Democratic coalition after the collapse of the previous city administration.

Among his achievements so far, he has been credited with defusing protests over the city's housing shortage and allaying the militancy of squatters occupying vacant buildings.

The energetic mayor has also been devoting himself to trying to instill a fresh sense of confidence in the 2 million West Berliners, which some party officials see as a key factor in his reelection bid.

With elections set for May 31, two years early, Mr. Vogel has little time to lose. So far the 55-year-old politician has won the respect of many with his personal political style of linking firmness and moderation.



Hans-Jochen Vogel

A Bavarian by upbringing, Mr. Vogel, younger brother Bernhard member of the CDU of party and Minister Pres Rheinland-Pfalz, was from his cabinet career because the Social Democ a danger that Berlin's might affect the West Ger- government of C Helmut Schmidt.

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The Bank's growing corporate and public sector clientele has come to appreciate the financial knowhow and flexibility of DGZ's compact management team. Main financing emphasis is on DM fixed-interest loans, export financing and credits in various currencies.

The Bank's wholly-owned Luxembourg subsidiary, Deutsche Girozentrale International S.A., has built a solid reputation as an active Euro-market partner for money market operations on a global basis, foreign exchange transactions and in the Eurocredit sector.

As a major issuing house in the domestic market, the Bank is also a respected partner for international loan syndication and Eurobond issues.

DGZ is a "banker's bank" within the German Savings Banks Organization in which it is the sole member institute on the federal level.

This position combined with expert liquidity management enables the Bank to play a substantial part in large-scale international financing, wherever it is required.

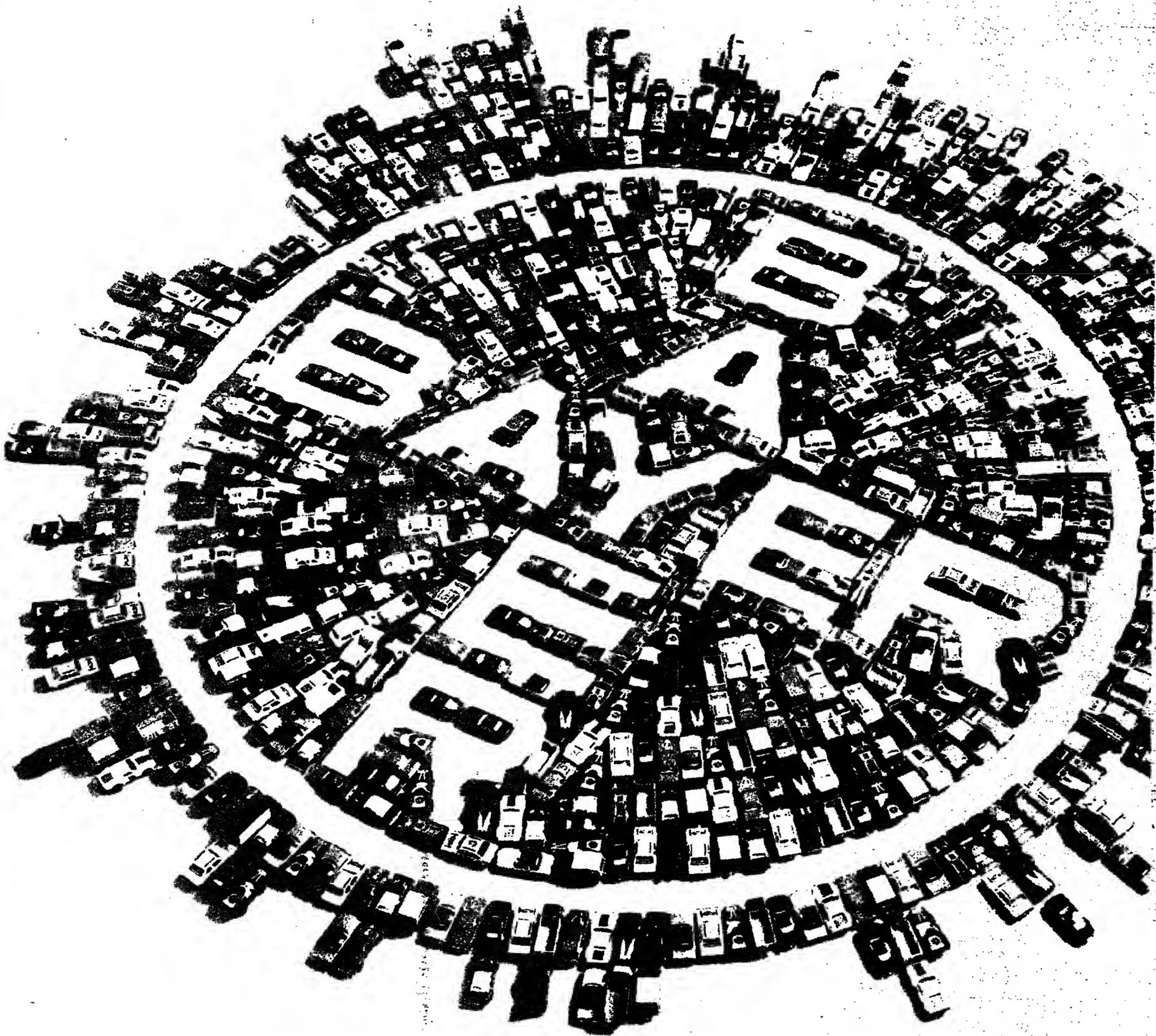
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BUSINESS NEWS BRIEFS

Subsidiary Wins Iraq Cement Contract

KHD Humboldt Wedag, a wholly owned subsidiary of KHD, has won a 500-million-Deutsche-mark contract for a cement plant, KHD said Thursday.

Yoda Boosts Bid for MacMillan Bloedel

Noranda Mines said Thursday it had increased its offer for MacMillan Bloedel to 62 Canadian dollars (\$52) a share from its bid of 56 Canadian dollars.

Expect Growth, Calls '80 Satisfactory

W. Germany — Linde, the engineering company, said further growth this year after a satisfactory 1980, in which group net profits rose 24 percent to more than 47 million marks.

Reports Successful Year in Metals

Düsseldorf — Degussa enjoyed a successful financial year through 1980, increasing its net profit by 36 percent to more than 68 million marks, managing board member Robert Ehrst said at a news conference.

Up Section to Serve Robot Systems

General Electric said Thursday that it has established a new division to serve worldwide markets with automation systems, including robots.

Says This Fiscal Year Looking Excellent

NOVER, West Germany — This fiscal year is developing as a one for the Sony group despite the negative effects of a strong yen and a weak dollar, Sony Deutschland's finance manager, Manfred K. Schmitt, said Thursday at the Hannover Fair.

New Regime in Argentina Values Its Peso by 28%

Edward Schumacher, New York Times Service — The Argentine government, moved by a crisis in its foreign exchange reserves, announced a 28 percent devaluation of the peso.

W. German Manufacturing Sector Will Not Improve in '81, IFO Says

MUNICH — The recession now hitting West German manufacturing shows little chance of an upswing before the end of 1981, the IFO Economic Research Institute said Thursday.

Joblessness in March Falls in W. Germany

NUREMBERG — West German unemployment fell in March for the second successive month, to 1.21 million, despite the economic recession, the federal labor office said Thursday.

Company Reports

and profits, in millions, are in local currencies unless otherwise indicated

Table with 2 columns: Company, 1980, 1979

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Merger Pact Revived by Fox, Davis

LOS ANGELES — Oil millionaire Marvin Davis has reinstated his offer to acquire 20th Century Fox for nearly \$800 million, and both sides have agreed in principle to the merger, Fox said late Wednesday.

A brief statement from both sides, following daylong negotiations in New York, set out the same basic details contained in the original takeover proposal put forward by Mr. Davis in February.

Mr. Davis, in withdrawing the offer, accused Fox of stalling and indicating that he felt he was not being treated properly.

Fox Chairman Dennis Stanfill, who went to New York for the continuing events of a six-day drama that saw the deal revived after Mr. Davis aborted it last Thursday, said Fox's board is scheduled to meet Monday to vote on the proposal.

A Los Angeles spokesman for Mr. Davis referred inquiries on the revived merger plan to Fox. Though the company said the agreement was essentially the same as the one withdrawn by Mr. Davis, it did not specify what changes have been made in the plan.

Under the original deal, Mr. Davis would pay \$60 a share for each share of Fox common stock and \$80 a share for each share of preferred stock.

Before the merger, as part of the proposal Fox shareholders would receive a pro-rata distribution of shares in a Fox subsidiary, United Television, which controls three television stations.

Thus, the television unit's shares, valued at about \$115 million or \$10 a share, would be added to about \$680 million cash to be paid by Mr. Davis for Fox stock.

Wednesday's joint announcement included word that Fox's biggest shareholders, Chris-Craft Industries (22 percent), had "reconfirmed" its agreement with Mr. Davis to vote in favor of the merger.

Trade sources said Nippon Steel, which last week rejected a Chinese proposal for a joint venture to construct a second-stage blast furnace at Baoshan, was on the mission to discuss the first-stage blast furnace already being built there.

Brock Trade Job Reported Upheld

WASHINGTON — Senate Finance Committee Chairman Robert J. Dole of Kansas and other committee members told U.S. Trade Representative William E. Brock in a private meeting that all trade negotiations and discussions are within his jurisdiction and that they are unhappy with reported State Department attempts to move in on trade functions.

The meeting Wednesday, called by Sen. Dole, a Republican, consisted of informal discussions on trade issues and negotiations, including imports of Japanese cars, the sources said. Last week Sen. Dole said he was concerned about who was handling trade matters.

The administration is preparing an interagency group of government officials to meet with the Japanese — probably next week — for discussions, not negotiations.

Intel, Matra in Venture

SANTA CLARA, Calif. — Intel Corp. said Thursday that it had agreed in principle to establish a joint venture in France with Matra-Harris Semiconductors to design microprocessors and other integrated circuits.

Production in the chemical industry is expected to rise by about 1 percent this year, helped by an expected 3 percent volume increase in exports, it said.

Japan Sees Export Curbs as 'Dirty' Deal

By William Chapman

WASHINGTON Post Service TOKYO — When Foreign Minister Masuyoshi Ito returned from the United States last week, he explained at a news conference that there would be no bilateral agreement to curb the export of Japanese automobiles.

But a Japanese reporter promptly asked, if Japan alone restricts its exports does that not mean that Japan is left with "dirty hands"?

Mr. Ito was too diplomatic to agree with that assessment in public, but the reporter's rhetorical question accurately reflected the view of many Japanese on the auto issue, which dominates the news here.

The picture that emerges from editorials and private conversations: Japan does the dirty work of restricting trade while the White House remains technically pure with its free-trade pledges intact.

Energy Stocks' Weakness Hurts Market Performance

NEW YORK — Anyone buying stocks last Dec. 31 had the odds of picking a winner on his side, but chances of making a big score in the three months that ended Tuesday were relatively slim.

On both the New York and the American exchanges, two of every three stocks came up winners, but the broad market indexes were almost unchanged. Weighted down by weakness in oil and technology stocks, the Big Board index was up only 0.5 percent and the Standard & Poor 500 index up only 0.2 percent.

Japanese, China In Project Talks

TOKYO — Top Japanese businessmen left Thursday for talks in Peking on a way of reviving projects worth 320 billion yen (\$1.2 billion) that China suspended when it halted an ambitious industrialization program.

A spokesman for Toyo Engineering, which is a partner in the project, said the talks would include the possibility of a long-term, low-interest Japanese government loan for China.

Trade sources said Nippon Steel, which last week rejected a Chinese proposal for a joint venture to construct a second-stage blast furnace at Baoshan, was on the mission to discuss the first-stage blast furnace already being built there.

Intel, Matra in Venture

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NYSE Prices Lose Ground After Rally

Prices on the New York Stock Exchange eased in active trading Thursday as some recently strong groups such as oil, defense, high technology and blue chips were hit by profit-taking.

The market had rebounded sharply Tuesday and Wednesday after a drop in the three previous sessions on interest rate worries and the assassination attempt on President Reagan. Monday's slide interrupted a six-week upward trend that carried the Dow Jones industrial average in an eight-year high last Wednesday.

The Dow average, which was up 10.37 Wednesday, lost 5.13 Thursday in close to a 1,009.01.

Volume Thursday was \$2.57 billion shares, down from \$4.88 billion Wednesday.

Historically, the Dow industrial average has encountered profit-taking pressure at the 1,000 level because many investors have automatic sell programs at that level.

Most analysts said, however, that they thought the selling in this session was normal in light of the gains made not only this week but over the past month and a half.

Larry Wachtel of Bache Halsey Stuart Shields said, "The market got a little ahead of itself and needed to calm down."

Part of the reason it "got ahead of itself," he said, was the spate of takeover bids and resulting speculation involving major corporations and other special situations.

Wall Street also has been heartened by indications the Reagan administration has shown calmness and strength during the crisis prompted by the assassination attempt on the president.

In company news, Mobil Oil Canada Thursday reported an oil flow of 1,250 barrels a day in the first test of its South Temple G-88 wildcat well in the Grand Banks off Newfoundland.

The dollar firmed Thursday in brisk London trading, dealers said. The dollar ended at 2.1088 Deutsche marks, compared with an opening 2.0938 DM and Wednesday's close at 2.1045 DM.

The British pound weakened to \$2.2290 from \$2.24 at the opening and \$2.2385 Wednesday.

European Bargaining

Japan's automotive giants, Toyota and Nissan, already are facing stiff restrictions on exports in France and Italy, and Britain wants to restrict them in about 10 or 11 percent of its market.

The biggest automaker here, Toyota, is openly criticizing the government for what it sees as a hasty retreat before U.S. pressure.

Eiji Toyoda, president of the company, Thursday accused the government of "jumping the gun, making a fuss about America's problems, not ours. The move to set a target date for seeking a solution is giving away Japan's bargaining chips."

Most here believe Japan will go along with Mr. Reagan, but the depth of the cut in exports is still very much in dispute. So is the timing. The Ministry of International Trade and Industry, which would have to enforce the roll-back, is in favor of a prompt concession, but not a deep one.

The ministry fears something worse may happen in the United States — like a total Chrysler collapse — to brighten political pressures in Congress.

ing, off 8.7 percent; sugar refiners, 8.7 percent; investment companies, 6.8 percent; aerospace, 6.2 percent; office equipment, 6 percent; distillers, 5.5 percent; and farm machinery, 5.4 percent.

The copper sector, helped by takeover-spurred price gains, paced the best-performing groups with a 4.5 percent gain. But metal fabricating, airlines, truckers, mobile homes and drugs also scored well, with advances ranging from 2.8 to 3.9 percent.

One measure of the quarter's difficulty for owners of major energy stocks is that 24 of these stocks appear on Interactive's list of the 30 stocks with the biggest losses in total valuations. The energy issues accounted for \$43.8 billion of the total drop of nearly \$50 billion in these 30 stocks.

Sellers clipped \$5.2 billion off the value of Exxon, \$4.7 billion from Standard Oil of Ohio, \$3.9 billion from Shell, \$3.3 billion from Mobil and nearly \$3 billion each from Standard Oil of California and Schlumberger, an oil services company.

Big nonoil losers in total valuation terms were International Business Machines, which shed \$3.2 billion and Boeing, Rockwell International, Litton, Pacific Telephone & Telegraph and BankAmerica.

The largest upgrading in total valuations occurred in AT&T, \$2.7 billion; General Motors, \$2.3 billion; Eastman Kodak, \$1.9 billion; Amax, a takeover target, \$1.4 billion; General Electric, \$1.3 billion; Dow Chemical, \$1.2 billion and Du Pont, \$1.1 billion.

In percentage terms, the biggest gainers on the Big Board were Kennecott, up 106 percent. (The company agreed to merge with Sohio for an offer of \$62 a share. Kennecott was trading at around \$25 a share before the agreement.) Texas International, an oil and gas trading favorite rose 106 percent; Mobil Home Industries, 100 percent; Armstrong Rubber, 97.4 percent; and Piedmont Aviation, 90.4 percent.

Biggest declines were in Modular Computer Systems, 44.5 percent; Baker Industries, 37.5 percent; Charter Co., 35.9 percent; Empire, 35.8 percent; and Coastal, 35.6 percent. Barber Oil dropped 56 percent to 29, but its price was affected by a liquidating distribution of \$40 a share Jan. 30.



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European Stock Markets

April 2, 1981

(Closing prices in local currencies)

Table of European stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Zurich, and Eurocurrency interest rates.

Chicago Futures

April 2, 1981

Open High Low Close Chg.

Table of Chicago futures markets including Wheat, Corn, Soybeans, and other commodities.

U.S. COMMODITY PRICES

Open High Low Close Chg.

Table of U.S. commodity prices including Treasury Bonds, Cotton, and various agricultural products.

New York Futures

April 2, 1981

Open High Low Close Chg.

Table of New York futures markets including various commodities.

Market Summary

NYSE Most Active

April 2, 1981

Table of NYSE most active stocks including IBM, AT&T, and other major companies.

International Monetary Market

Market

Volume (in millions)

Table of international monetary market data including British Pounds, Canadian Dollar, and Japanese Yen.

Dow Jones Averages

April 2, 1981

Open High Low Close Chg.

Table of Dow Jones averages including Industrial Average, Composite Average, and Bond Average.

Standard & Poors

Composite

Table of Standard & Poors composite index data.

Tokyo Exchange

April 2, 1981

Open High Low Close Chg.

Table of Tokyo exchange rates and prices for various commodities.

Cash Prices

April 2, 1981

Table of cash prices for various commodities.

Commodity Index

April 2, 1981

Table of commodity index data.

Dividends

INCREASED

Table of dividend information for various companies.

Selected Over-the-Counter

Closing Prices, April 2, 1981

Table of selected over-the-counter stock prices.

Friday's New Highs and Lows

NEW HIGHS—1981

Table of Friday's new highs and lows for various stocks.

Advertisement for Russell Reynolds Associates, Inc., featuring text about office opening in Madrid and appointment of Gerardo Seeliger as Director General.

European Gold Markets

April 2, 1981

London Zurich

Table of European gold market prices.

Gold Options

April 2, 1981

Price in \$/oz.

Table of gold options prices.

AMEX Index

April 2, 1981

Open High Low Close Chg.

Table of AMEX index data.

European Options Exchange

Amsterdam

Gold Options

Table of European options exchange data.

Odd-Lot Trading in N.Y.

April 2, 1981

Volume (in millions)

Table of odd-lot trading data in New York.

ADVERTISMENT

INTERNATIONAL FUNDS

April 2, 1981

Table of international fund advertisements.

London Metals Mkt

April 2, 1981

High Low

Table of London metals market prices.

London Commodity

April 2, 1981

High Low

Table of London commodity prices.

Paris Commodity

April 2, 1981

High Low

Table of Paris commodity prices.

Russian Optimism

About Grain Harvest

Article text discussing Russian grain harvest optimism.

EUROPEAN INTERNATIONAL FUND

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Unit holders in the fund are advised that payment of U.S. dollars 0.40 per unit has been approved by the board of management.

Coupon on bearer share certificates will be paid upon presentation to the paying agent on and after April 10th, 1981 to shareholders on the record on April 2, 1981.

By order of The board of management company Communiqué par BANQUE INTERNATIONALE A LUXEMBOURG Société Anonyme

INAUGURATION OF B.N.P. NEW YORK BRANCH

This week, BANQUE NATIONALE DE PARIS inaugurates the new offices of its NEW YORK branch at 499 Park Avenue.

This inauguration is enhanced by the presence of M. Jacques CALVET, Chairman and Chief Executive Officer, accompanied by M. Gérard LLEWELLYN, President and a delegation from the PARIS headquarters.

The BNP group has, in fact, been present in NEW YORK for many years through its wholly-owned subsidiary, FRENCH AMERICAN BANKING CORPORATION, originally established in 1919 and located at 120 Broadway.

FRENCH AMERICAN BANKING CORPORATION and the BNP branch are complementary. The former, specializing in the financing of international and commodity trading operations, with, notably, a substantial clientele of foreign banks.

On the other hand, active in money markets and services both U.S. multinational corporations and the American subsidiaries of foreign corporations, particularly those of French origin.

In addition, BANQUE NATIONALE DE PARIS operates in the U.S.A. through a branch in CHICAGO, agencies in SAN FRANCISCO and LOS ANGELES, and representative offices in HOUSTON and in NEW YORK.

In 1980, BNP purchased BANK OF THE WEST which today, after merging with the FRENCH BANK OF CALIFORNIA (originally established by BNP in 1972), operates a network of 45 branches.

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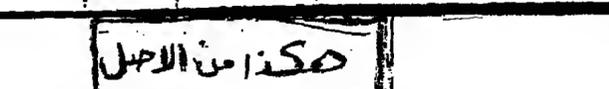
County Bank Limited Hambros Bank Limited Hill Samuel & Co. Limited

Kleinwort, Benson Limited Samuel Montagu & Co. Limited

Nomura Europe N.V. Saudi International Bank

Svenska Handelsbanken

Post-och Kreditbanken, PKbanken Skandinaviska Enskilda Banken



MEX Nationwide Trading Closing Prices Apr. 2

Tables include the nationwide prices up to the closing on Wall Street.

Large table of stock market data including columns for stock names, prices, and volume. Includes sub-sections for '12 Month Stock' and '12 Month Div.'.

CLASSIFIED ADVERTISEMENTS (Continued from Page 23)

Real estate and employment advertisements. Includes sections for 'REAL ESTATE FOR SALE' (U.S.A., CALIFORNIA), 'REAL ESTATE TO RENT/SHARE', 'EMPLOYMENT', and 'ESCORTS & GUIDES'.



# Los Angeles Upset by Houston in NBA as Kansas City Wins

**The Associated Press**  
**ANGELES** — The Los Angeles Lakers, hoping to be the National Basketball Association's first repeat champions since the 1968-69 Boston Celtics, suddenly found themselves in a red-hot Rocket Moses Malone.

Houston's 6-foot-10 scored 35 points and 23 rebounds — including off the offensive boards — and the Rockets to a 115-107 victory over the Lakers in Los Angeles Wednesday night in the first round of their first-playoff series. Calvin Murphy added 19 points for the Rockets.

Other Western Conference round-robin second-round games: The Los Angeles Lakers defeated the Portland Trail Blazers at Portland 117-104. The Los Angeles Lakers defeated the Seattle SuperSonics at Seattle 117-104.

**NBA Playoffs**  
**FIRST ROUND**  
**EASTERN CONFERENCE**  
 Philadelphia vs. Indiana (Philadelphia at home)  
 March 21 — Philadelphia 124, Indiana 108  
 April 2 — Philadelphia 107, Indiana 102  
 April 5 — Indiana 102, Philadelphia 107  
 New York vs. Chicago (New York at home)  
 March 21 — Chicago 101, New York 98  
 April 1 — Chicago 101, New York 98  
 April 3 — Chicago 101, New York 98  
**WESTERN CONFERENCE**  
 Los Angeles vs. Houston (Los Angeles at home)  
 March 21 — Los Angeles 107, Houston 102  
 April 1 — Los Angeles 107, Houston 102  
 April 3 — Los Angeles 107, Houston 102  
 Los Angeles vs. Portland (Los Angeles at home)  
 March 21 — Los Angeles 107, Portland 104  
 April 1 — Los Angeles 107, Portland 104  
 April 3 — Los Angeles 107, Portland 104  
 Los Angeles vs. Seattle (Los Angeles at home)  
 March 21 — Los Angeles 107, Seattle 104  
 April 1 — Los Angeles 107, Seattle 104  
 April 3 — Los Angeles 107, Seattle 104

# Late Three-Way Baseball Trades Suspended

**The Associated Press**  
**NEW YORK** — There are a lot of ways to get from California to New York quickly. For Jason Thompson, the umpire through Pittsburgh is not one of them — not when Bowie Kuhn's putting up roadblocks.

Thompson, the left-handed first baseman who hit 288 with 21 home runs for the California Angels in 1980, was dealt to the Pittsburgh Pirates Wednesday — and then on to the New York Yankees.

In the three-way deal, the Angels ended up with catcher Ed Ott and pitcher Mickey Mahler from Pittsburgh and the Pirates wound up with first baseman Jim Spencer, minor league pitcher Greg Cochran and Freddie Toddler and some of Yankee owner George Steinbrenner's cash.

How much? That's what Kuhn would like to know. This is one of the reasons he gave for temporarily holding up the two trades. Since 1976, Kuhn has insisted on a \$400,000 ceiling in all trades involving money.

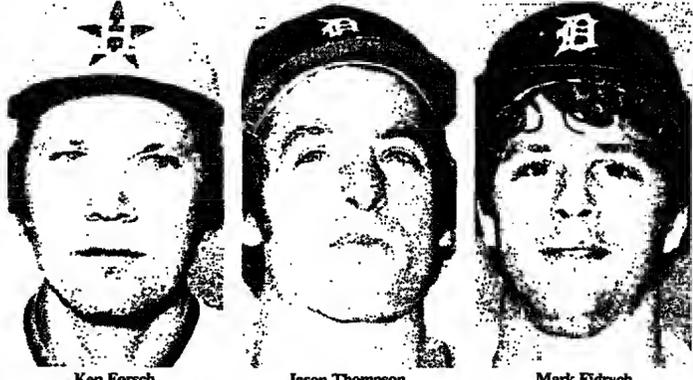
The crowd filed out mornfully. No one stopped to notice Koozhof, who was standing quietly outside his car, waiting to share the new champion's motorcycle escort back to the city.

Suddenly everyone seemed to know what had gone wrong. Whites and blacks put it slightly differently, but the conclusion was the same. A white motorcycle policeman said, with no apparent satisfaction, that the black champion had started living too high too fast. "They shouldn't have put him in a fancy hotel in Johannesburg," he said. "They should have kept him in the condition he was in."

A black from the township outside Randfontein where Mathebula lives said it was too many parties. Others wondered whether Mathebula had known all along that he couldn't live up to the expectations that had been generated in his name.

Soweto was vanishing behind its nightly haze of coal smoke as the new champion came out to board his bus.

He blew kisses to the crowd. "Argentina, Argentina," his handlers chanted, as if it was a football cheer. Then, as the motorcycle escort turned on its siren and the bus started to move, they cried, "Soweto, Soweto," they cried. The former fans of the former terror wailed back.



Ken Forsch ... traded. Jason Thompson ... roadblocked. Mark Fidrych ... unwanted.

**Two Big Deals**  
 Wirz acknowledged that there is no rule banning interlocking deals. "In this case, until we know all the facts, it's being held up overnight," he said.

It was the second big deal in 24 hours involving the Yankees. Tuesday night they completed a six-player trade with San Diego. The Yankees' center fielder, Jerry Mumphrey coming to New York and Kuppert Jones heading west.

The deals with Thompson as the linchpin were Wednesday's biggest before the midnight inter-league trading deadline passed.

The Angels also added pitching strength by acquiring 34-year-old Ken Forsch from Houston, where he was 12-13 with a 3.20 earned-run average in 1980. After the season, he asked to be traded. The Astros first tried to ship him to San Francisco, but Forsch vetoed that deal. Then they worked the deal with the Angels, getting 22-year-old utility infielder Dickie Thon in return.

Like the Pirates and Angels, the Chicago White Sox made two trades Wednesday. They sent out fielder Thad Bosley to Milwaukee for minor league outfielder John Poff and relief pitcher Mike Proly to Philadelphia for reserve second baseman Jay Loviglio.

Bosley, who hit .224 last year for the White Sox, didn't figure to make the team this year. Proly, 5-10 with a 3.05 ERA and eight saves last year, could be expendable when the White Sox get reliever

Dennis Lamp from the Chicago Cubs last year.

Notably, it seems, wanted one-time Detroit phenom Mark Fidrych. The pitcher cleared waivers, then was sent down to the Tigers' Evansville farm team, subject to 24-hour recall.

The 26-year-old "Bird," as he is known, promised he would be back in the majors once again, talking to baseballs and doing his own groundskeeping on the mound the way he did in 1976, when he went 19-9 and captured

## Transactions

- BASEBALL**  
**AMERICAN LEAGUE**  
 BALTIMORE — Traded shortstop Kiko Garcia to Houston for outfielder Chris Burles and an unspecified amount of cash. Assisted Burles to Rochester of the International League.  
 CALIFORNIA — Traded infielder Dickie Thon to Houston for pitcher Ken Forsch. Asked waivers on pitchers Jim Barr and Dave LaRoche for the purpose of giving them unconditional releases.  
 CHICAGO — Traded outfielder Thad Bosley to Milwaukee for outfielder John Poff. Traded pitcher Mike Proly to Philadelphia for second baseman Jay Loviglio.  
 CLEVELAND — Assigned pitcher Mark Fidrych to Evansville of the American Association. Acquired infielder Dick Thon from the Chicago Cubs in exchange for cash and a player to be named later.  
 MILWAUKEE — Shipped pitcher Paul Vuckovich to a multi-year contract. Added waivers on pitcher and infielder for the purpose of giving them unconditional releases.  
 SEATTLE — Added waivers on reliever Mark Sutcliffe for the purpose of giving him unconditional releases. Sold first baseman Wayne Cose to the Houston Astros for an undisclosed amount.  
 TEXAS — Sent second baseman Mike Richardson, pitcher John Butler, Ed Fluellen and Dave Ralich and catcher Don Werner to
- NATIONAL LEAGUE**  
 ATLANTA — Sent pitcher Larry McLintock to the Richmond Braves of the Southern League. MONTECALM — Added waivers on pitcher Fred Norman and catcher John Tomorosa for the purpose of giving them unconditional releases.  
 NEW YORK — Sent third baseman Phil Maffucci and pitcher Drew Harts to minor league clubs for reassignment.  
 PITTSBURGH — Traded catcher Ed Ott and pitcher Mickey Mahler to the California Angels for first baseman Jason Thompson. Traded Thompson to the New York Yankees for first baseman Jim Spencer and pitchers Greg Cochran and Freddie Toddler.  
 ST. LOUIS — Offered pitchers Dave Lappin and John Steyer to Springfield of the American Association.
- FOOTBALL**  
 BOSTON — Signed safety John Quinn.  
 BUFFALO — Signed defensive lineman Karl Suoranta to an amateur tryout and assigned him to the Rochester Americans of the American Hockey League.  
 HARTFORD — Fired general manager Jack Kettner. Gave head coach Larry Pless the additional duties of general manager.

# Tracy Austin Enterprises Sued by Coach

**The Associated Press**  
**ANGELES** — Women's tennis coach Robert Lansky claims he has not been compensated for services.

Lansky signed a contract last year that stipulated he would be compensated for services as a senior at Rolling in nearby Palos Verdes, seminars, clinics, tennis speaking engagements.

Lansky charged in Los Angeles court Wednesday that Tracy Austin Enterprises had not compensated him for a court order Tracy Enterprises, Inc., to sue Tracy Enterprises, Inc., for \$1 million.

Working together for 11 months, Tracy Enterprises, Inc. could have thought that Tracy Enterprises, Inc. would not speak to me personally if he had any money.

ng-Jaeger Team  
 (UPI) — Former Wimbledon Billie Jean King, named for the first time

# Carlson Opts Out

**CARLSBAD, Calif. (AP)** — Martina Navratilova declined to sign a contract for this weekend's \$200,000 Claret Crown and was replaced Wednesday with Pam Shriver, a meet spokesman announced.

Shriver, currently listed seventh in the computerized world rankings, joins Evert Lloyd, the No. 1-ranked player, and Jaeger and Hana Mandlikova. The winner of the singles-only competition receives \$100,000.

Defending champion Tracy Austin had to withdraw because of a back injury.

# A 'Terror' Fades in South Africa After the Parties

**By Joseph Levy**  
**New York Times Service**  
**JOHANNESBURG** — He was called Terror, and for the heady 15 weeks he reigned as the first black South African to hold a world championship, virtually all sides in this starkly divided country, with the exception of a fringe of black political activists, were ready to claim him proudly as their own.

Peter Mathebula, was little known in South Africa before last December, when he won the World Boxing Association's flyweight title from a South African named Tae Shik Kim in Los Angeles. Then suddenly even the Afrikaans-language press, which caters to the dominant white group and has little or no black readership, was proclaiming him excitedly "Ons Wereldkampioen!" — "Our World Champion!"

Actually there was some question whether, under the country's laws, Mathebula was a South African at all. He is of Tswana tribal origin, and with the supposed independence of the Tswana homeland — known as Bophuthatswana — all Tswanas have been theoretically shorn of their South African citizenship, even if they continue to live in South Africa.

**Headings of Hype**  
 But Mathebula said he regarded himself as a South African, and the government gave him a South African passport. Only the opposition press was churlish enough to raise the question.

In practice, he was fast becoming a citizen of the land of hype. He endorsed automobiles. Old Buck Gin, Bostonian shoes and a line of sharp clothes. "Peter Mathebula says, 'Mayfair' apparel packs plenty of punch!" the headlines declared.

When Mathebula signed for his first title defense, against the Argentine flyweight champion, Santos Laciara, South African boxing writers laid down a barrage of training-camp bulletins pointing to the invincibility of the champ, just

# Alouettes' Skalbania Gets Rights to Sign Ferragamo

**From Agency Dispatches**  
**MONTREAL** — Montreal Alouettes owner Nelson Skalbania brought Los Angeles Rams quarterback Vince Ferragamo into his burgeoning sports empire Wednesday by acquiring the negotiating rights to the NFL star in a deal with the Hamilton Tiger-Cats.

Skalbania, moving with the speed that has characterized his other dealings in real estate, ice hockey, soccer and baseball, sent 1979 CFL Player of the Year David Green and wide receiver Keith Baker to Hamilton in return for the rights to sign Ferragamo.

Hamilton general manager Ralph Sazio said the trade is contingent on the Alouettes being able to sign Ferragamo, who is reportedly seeking \$300,000 a year, easily the highest salary ever paid to a CFL quarterback. "The deal will not be filled until all the dotted lines are filled in on Ferragamo and they know they have him," Sazio said.

Thursday that Ferragamo probably would not sign before the middle of next week. "There's just a few legal knots that have to be untied," the spokesman said. "Skalbania has left for Bermuda for a few days, and he said before leaving that things should be left until he gets back Monday."

In Los Angeles, the Rams confirmed that Ferragamo has made a deal with Skalbania, although a formal contract had not yet been signed. Said Rams general manager Don Klosterman: "We have been informed by David Fishof,

when, rising after another 8-count, Mathebula — a terror no more — hollered to his white trainer. "Wollic, I can't see." There were whoops and cries in Spanish from the Argentine contingent at ringside. But otherwise the stadium was silent as the technical knockout was announced.

The crowd filed out mornfully. No one stopped to notice Koozhof, who was standing quietly outside his car, waiting to share the new champion's motorcycle escort back to the city.

Suddenly everyone seemed to know what had gone wrong. Whites and blacks put it slightly differently, but the conclusion was the same. A white motorcycle policeman said, with no apparent satisfaction, that the black champion had started living too high too fast. "They shouldn't have put him in a fancy hotel in Johannesburg," he said. "They should have kept him in the condition he was in."

A black from the township outside Randfontein where Mathebula lives said it was too many parties. Others wondered whether Mathebula had known all along that he couldn't live up to the expectations that had been generated in his name.

Soweto was vanishing behind its nightly haze of coal smoke as the new champion came out to board his bus.

He blew kisses to the crowd. "Argentina, Argentina," his handlers chanted, as if it was a football cheer. Then, as the motorcycle escort turned on its siren and the bus started to move, they cried, "Soweto, Soweto," they cried. The former fans of the former terror wailed back.



ALBANIANS WINCE — Making a rare visit to Tirana, West Germany's Bernd Schuster fires his second goal in a 2-0 defeat of Albania Wednesday night while Albanian captain Safet Berisha, center, and goalie Jani Kacaj protect their faces from the blast. West Germany has won its two matches so far and Albania is only one-for-five in their five-country World Cup qualifying group.

# Standings

PUEL CONFERENCE			
Team	W	L	GP
Winnipeg	14	10	24
Edmonton	13	11	24
Calgary	12	12	24
Winnipeg	11	13	24
Edmonton	10	14	24
Calgary	9	15	24
Winnipeg	8	16	24
Edmonton	7	17	24
Calgary	6	18	24
Winnipeg	5	19	24
Edmonton	4	20	24
Calgary	3	21	24
Winnipeg	2	22	24
Edmonton	1	23	24
Calgary	0	24	24

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# Racing in Dubai

**The Associated Press**  
**Dubai** will stage the national motor race in East on Dec. 4 to commemorate the 10th anniversary of the United Arab Emirates Grand Prix organization has announced.

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